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ABSTRACT

In 1995, the Jobs Initiative, an 8-year, six-site demonstration project, was launched to attempt to improve access to family-supporting jobs for disadvantaged young adults in the inner city. The Jobs Initiative is providing seed money to develop and implement job strategies in six cities: Denver (Colorado); Milwaukee (Wisconsin); New Orleans (Louisiana); Philadelphia (Pennsylvania); St. Louis (Missouri); and Seattle (Washington). The initiative begins with a planning phase, followed by a capacity-building phase and an implementation phase. This report is the executive summary of a report on the accomplishments and challenges of the planning phase across the six sites, roughly the period between November 1995 and March 1997. During the first year of the evaluation, the evaluation team documented baseline conditions at each site, chronicled the planning process, and worked with the sites to articulate their emerging "theories of change." Although the extent of progress varied from site to site, each location was able to make substantive progress in creating an organizational and strategic foundation for its regional initiative. Some of the questions and themes that have emerged during the planning phase are discussed and their potential implications for program development are noted. (SLD)

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Evaluation Of The Jobs Initiative

First Annual/ Cross-Site Report

September 1997

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Evaluation of the AECF Jobs Initiative First Annual/Cross-Site Report

Executive Summary

In November 1995, the Annie E. Casey Foundation (AECF) launched the Jobs Initiative, an eight-year, six-site demonstration designed to improve access to family-supporting jobs for disadvantaged, young adults residing in inner-city communities. Through this initiative, AECF seeks to help groups of local actors pursue a systems reform agenda to promote better connections between disadvantaged job seekers and good jobs in the regional economy.

The Foundation is providing the six selected sites—Denver, Milwaukee, New Orleans, Philadelphia, St. Louis, and Seattle—with seed money to develop and implement jobs strategies, including jobs projects to test potentially effective ways to increase job access. While the Jobs Initiative requires the sites to recruit at least half of the participants in jobs projects from a designated inner-city Impact Community of approximately 50,000 to 100,000 residents, it expects these individuals to be placed in jobs throughout the region, not just in the inner city.

The Jobs Initiative will proceed in three phases. In the Planning Phase, from November 1995 through March 1997, the selected sites brought together the key local stakeholders, analyzed regional barriers and opportunities, developed initial strategies for improving employment access, and identified the projects and other activities in which the local Initiative intended to make initial investments. At the end of the Planning Phase, each of the sites described the results of its analysis and the key features of planned projects in a Strategic Investment Plan (SIP).

Following the Planning Phase, sites will undertake a three-year Capacity-Building Phase. During this period, they are expected to institute the organizational structure and other mechanisms necessary to implement their planned jobs projects. The sites will also revise and strengthen these projects, and develop additional projects and activities, based on their experiences with implementation and jobs project operations. Over the course of the Capacity-Building Phase, each site will also put together its Jobs Policy Network, which will begin developing the site's policy reform agenda. It is anticipated that this reform agenda will be derived, in part, from the lessons learned from the various jobs projects.

The final phase of the Jobs Initiative will be the Implementation Phase, which will last four years. During this period the sites will be expected to have a fully articulated policy reform

agenda, and to engage in a series of activities to advocate for institutional change and systems reform.

This report examines the accomplishments and challenges of the Planning Phase across the six sites of the Jobs Initiative, roughly the period of November 1995 through March 1997. The report is based on the research of evaluators from Abt Associates and the New School for Social Research, along with local research affiliates based at each site. During the first year of the evaluation, the evaluation team documented baseline conditions at each site, chronicled the planning process, and worked with the sites to articulate their emerging "theories of change"—the key assumptions and expectations that inform the sites' strategies and projects.

Application Process and Key Characteristics of the Selected Sites

After considering thirty cities as possible candidate sites, in April 1995 AECF staff invited eleven communities to submit applications for Jobs Initiative planning grants. In each site, AECF also identified a local application sponsor—or convener—that was linked to the "civic infrastructure" of local foundations, community organizations, educational institutions, government agencies, and other entities concerned about jobs access for disenfranchised people. These conveners were asked to coordinate the development of the Jobs Initiative application for their respective communities.

Each participating community had an eight-week period to prepare its Jobs Initiative planning grant application. The applications were required to describe regional needs and opportunities relative to jobs access, as well as to offer a preliminary plan for carrying out the initial planning stages of the Jobs Initiative.

The six communities selected by AECF to receive Jobs Initiative awards demonstrated the key attributes that the Foundation was looking for in a Jobs Initiative site: a strong civic base, a "development intermediary" that had a capacity to get things done, existing track record of jobs projects to build upon, and local philanthropic support to match the AECF resources. In addition, however, the sites collectively reflect considerable diversity, in terms of the strength of their regional economy and labor markets, the location and ethnic composition of their Impact Communities, and the institutional vantage point from which the local development intermediary will be leading the effort. Specifically:

Regional Economy. The six sites' regional economies range from extremely robust to stagnant. On one end of the scale, the economy has been booming in Denver and Seattle. At the other extreme is New Orleans, whose regional economy has been extremely distressed. However, common to each Jobs Initiative site is that employment growth has been increasingly concentrated within the suburbs. Accordingly, job access continues to be

a pressing issue for inner-city residents of these communities, despite what appears to be a rosy economic picture for some regions.

Race and Ethnicity. The six Jobs Initiative sites vary in the racial and ethnic composition of their Impact Communities. In New Orleans, Philadelphia, and St. Louis, an overwhelming majority of the Impact Community residents in 1996 were African Americans, representing 90 percent or more of the population in those target areas. Hispanics constituted a significant portion of the Impact Community in Milwaukee and in Denver. Seattle's Impact Community is by far the most racially diverse, with sizable representation of whites, Asians, African Americans, Hispanics, and Native Americans.

Development Intermediary. The development intermediaries for the six sites selected for the Jobs Initiative include a wide array of organizations: a local foundation (Denver), a coalition of community and labor representatives (Milwaukee), a civic organization (New Orleans), a regional reinvestment fund (Philadelphia), a regional council of governments (St. Louis), and a municipal agency (Seattle). For some of the development intermediaries, like St. Louis and New Orleans, being directly involved in the area of workforce development was largely a new function. Others found new roles in their Jobs Initiative responsibilities as convener, strategic thinker, project designer, partner, or advocate. Thus, despite the diversity of the organizations, something that the development intermediaries shared in common was that the Jobs Initiative experience was testing and stretching their capabilities, and in the process altering people's perceptions of the organization's role in the community or region.

The Planning Process

The formal Planning Phase of the Jobs Initiative consisted of a 17-month period, from November 1995 through March 1997. The Jobs Initiative sites addressed a varied array of tasks during this period:

- engaging the civic infrastructure;
- establishing a governance mechanism;
- conducting outreach to the Impact Community and its job seekers;
- analyzing community resources, the regional labor market, and the workforce development system;
- identifying critical barriers and opportunities for expanding employment access;
- identifying job access strategies;

- designing projects and prototypes to test out their strategic approaches; and
- developing implementation plans, including the selection of project implementors, the establishment of budgets, and the specification of action steps and milestones.

In some cases, the sites also identified policy reform targets, advocated for systems reform, and field-tested preliminary strategies and projects.

AECF required the six sites to use an Outcome Funding methodology as a way to provide structure to their planning processes and to encourage an entrepreneurial orientation. The Outcome Funding framework divided the planning process into steps and required the sites to perform a series of exercises to identify strategies and promising options for investment. These were reflected in the Strategic Investment Plan for each site.

Participation and Governance Mechanisms

Each site established governance mechanisms that exhibited representation from multiple sectors, including civic groups, educators, community organizations, representatives of business groups, and government officials. The mechanisms used to involve these individuals in the Initiative planning process varied, but the most common approaches ranged from membership on steering committees and advisory/working groups (i.e., more formal governance roles), to community forums, assistance in fundraising, small group or one-on-one discussions, surveys, advocacy activities, and site visits/conferences.

While each regional Initiative was able to engage representation from multiple sectors, the sites generally have found it easier to achieve participation from some sectors than from others. All sites seemed to have had success engaging participation from the public, education, civic, and non-profit sectors fairly readily. In contrast, many sites found it somewhat more challenging to gain participation by business persons and/or by community residents, particularly during the early stages of the planning process. Nonetheless, the sites have shown considerable creativity and perseverance in finding ways to conduct outreach to and achieve meaningful input from these groups.

Decision-Making

The formal governance structures used across the six sites generally included an executive board or steering committee that had policy-making authority for the Initiative, as well as a number of working groups or task forces that functioned in an advisory capacity to the executive board/steering committee. From site to site, the size of the executive group varied from nine to more than thirty members. In addition to these executive board members, the task forces provided vehicles for the Jobs Initiative sites to involve a much wider group of individuals and interests in the planning process.

Each Jobs Initiative site also had staff and consultants to carry out tasks in support of the planning process between meetings. The activities conducted by these staff and consultants generally included outreach, data collection and analysis, preparation of written materials and the drafts of key planning deliverables, and management of the logistics of meetings.

Another common feature of the decision-making processes at the six sites was that most decisions were made on a consensus basis, rather than by formal, majority vote. One benefit of this approach is that it tended to make the planning process less confrontational, and therefore may have reduced conflict among the various stakeholders, and kept more groups at the table. In many sites, the consensus approach was also seen as a reflection of the Jobs Initiative principle of engaging a civic infrastructure representing multiple stakeholders and perspectives, with members who are committed to finding a common ground for the greater good.

Strategies, Projects and Prototypes

Over the course of the Planning Phase, the six sites were faced with the challenge of identifying strategies through which the local Initiative could serve as a change agent in creating more effective connections between job seekers and employers throughout the region. The strategies that the sites have articulated, and the prototypes and projects that will implement those strategies, involve a variety of customers, problems to be addressed, partners, and services and/or products that range considerably across the sites.

Nevertheless, the sites' strategies, projects, and prototypes shared a number of similarities. At the most general level, the strategies focused on the role of the Initiative as an intermediary in the regional labor market. In addition, the following features are common to many, if not all, of the strategies articulated by the individual Jobs Initiative sites:

- ***A recognition of the importance of employer connections:*** The strategies and projects emphasize the importance of being responsive to employers. The sites recognize the need to appeal to the economic self-interest of employers, both to secure the participation of firms in the initial prototype efforts in order to demonstrate the potential benefits of the Initiative's approaches, and to gain more widespread cooperation from the business community to move the Initiative to scale over time.

- ***The use of sectoral interventions:*** Virtually all the sites focus on particular industry sectors (or niches within sectors) that offer particular access to the targeted population and/or have some growth potential. The four sectors most frequently targeted are: health care, manufacturing, construction, and hospitality. Although health care and hospitality are generally associated with

low-paying jobs, the sites believe that these sectors nonetheless offer the potential for providing employment for job seekers with limited skills and prior work experience, and in many cases on a rapid attachment basis. While manufacturing employment is declining at most of the sites, the regional Initiatives have identified promising opportunities in this sector because of an aging workforce and/or strong demand for specialized products. These manufacturing positions often require more up-front training than health care and hospitality, but manufacturing also offers higher-paying jobs. Similarly, although construction work is often seasonal, this sector also is seen as a potential source of higher-paying jobs; moreover, changes in the regional workforces for some of the sites suggest that the construction trades may be more willing to recruit minorities than has been true in the past.

- ***A rapid attachment approach:*** Most of the sites emphasize rapid attachment approaches, sometimes called "work first plus" strategies. With these strategies, the sites are trying to minimize the period of pre-employment training; instead, as much as possible, the sites are emphasizing workplace-based training. The sites are also pursuing these rapid attachment approaches even if it means job placements that do not immediately provide family-sustaining wages or permanent employment.

- ***The exploration of temporary services as a pathway to build connections to better jobs:*** Another feature common to most of the sites is their willingness, as part of their strategies, to use placements in temporary or part-time positions as a pathway to better jobs. While these temporary/part-time positions often do not provide family-supporting salaries, the sites' labor market research and discussions with employers convinced them that these positions can be effective stepping-stones to better-paying jobs, particularly for individuals with low skills and limited prior employment experience.

- ***A focus on soft skills:*** Several sites have identified attitudinal issues (on the part of both job seekers and employers) and interpersonal skills as important barriers to employment. For example, in a number of sites, the results of focus groups with business representatives revealed that many employers are more concerned that job applicants exhibit a strong work ethic than they are that the applicants have the specific technical skills required for the business. These employers feel that they can always train the individuals in the specific technical skills required for many positions as long as the employee has the desire to work hard and learn, but the firms are reluctant to invest in this training if the individuals do not exhibit the kinds of traits that the firms feel signal a good "work ethic" and willingness to "stick it out" in a job.

- ***An emphasis on post-placement services:*** Another key element of the sites' strategies is the attention paid to post-placement services and support. Whereas traditional workforce development programs often see that their responsibilities have ended once a job placement has occurred, most Jobs Initiative sites contend that the most important work to be done with individual job seekers often occurs after placement. This orientation reflects the fact that the sites are not concerned with just placement, but also with retention. Retention is a key issue in terms of the site achieving employer satisfaction with the job seekers that are recruited through the Initiative, but more important, in terms of the individual employees receiving steady income and benefits, building up good job references, and progressing along career ladders.

- ***An overarching concern for job quality:*** As the discussion above has suggested, the Initiative sites are not concerned just with access to employment, but with finding pathways to family-supporting jobs. Each of the sites has therefore had to grapple with the complicated issues of what constitutes a livable wage, what are the necessary benefits that should come with employment, what is really meant by family self-sufficiency, and what burdens are imposed by employment (travel time, day care replacing parental supervision and guidance, etc.).

Challenges for the Jobs Initiative Sites During the Capacity-Building Phase

As the Jobs Initiative sites move into the Capacity-Building Phase, they will be required to shift from what has been essentially a planning mode to more of a manager/implementor mode, although some planning and design duties will continue. In the course of this evolution, new challenges will be addressed and unresolved issues from the Planning Phase may be revisited.

Establishing Infrastructure/Beginning to Address Sustainability. The sites will not only look to adjust their governance and management structures to take on their new roles relative to project/prototype implementation, but also may begin to give some attention to questions regarding the long-term sustainability of the Initiative. These challenges will translate somewhat differently from site to site. All of the sites, however, will need to carefully examine the staffing requirements of their rapidly multiplying responsibilities to ensure that the personnel resources assigned to the Initiative, and their management systems, are adequate to meet the demands on them.

Half the sites have already proposed revisions to their governance mechanisms to reflect their new set of duties associated with the Capacity-Building Phase. With these changes, there may be a tendency to move to a smaller, more streamlined governance structure, or at least to limit frequent interactions to a smaller subset of governance board members. However, the sites may also need to consider ways to maintain the involvement and commitment of the other members of the civic infrastructure and community who have been brought into the planning process. The sites may need these supporters in the future, particularly as the Initiative begins to address more controversial implementation and reform issues, and cannot afford to let these planning participants feel that they have been abandoned or cast off.

Although the AECF grant will serve as core funding for the immediate future, as the variety of Initiative activities expands at each site, there will be more and more demands placed on those funds. Accordingly, the sites will need to devote increased attention to leveraging and fundraising beyond the minimum match requirements established by AECF. In addition, because of the lead time involved in fund development, during the Capacity-Building Phase it is not too early for the sites to begin to think about possible sources of funding for the period following the eight-year Initiative.

Integrating Human Services into Their Project and Prototype Designs. Although the sites recognize the importance of supportive services and post-placement assistance to job seekers, their plans often did not specify how such human services would be integrated into their strategies, projects, and prototypes. It is understandable why Initiative sites might want to try to finesse this issue—if a site were to entertain paying for the costs of these services directly through the Initiative budget, it would be immediately inundated with demands for funding from the provider networks.

Clearly the costs of child care and transportation services can be too expensive for a site to address on its own. Nonetheless, if they believe that these supports are essential factors in promoting employability and retention, the Jobs Initiative sites need to find mechanisms to ensure that the services are available to the job seekers and workers that require them.

Serving Other than the More Job-Ready. Following the urging of AECF, many of the Initiative sites have focused a substantial portion of their first set of projects and prototypes on serving the more job-ready. In the short term, this is probably a very wise tactical move, since it creates the most potential for some early successes that will boost the credibility of the regional Initiatives with both employers and job seekers. However, if all a site does is serve the more job-ready, it ultimately will open the Jobs Initiative to criticism regarding creaming. Moreover, a focus on the easier to serve raises legitimate questions about how much of a difference the Jobs Initiative is actually making, since the individuals being assisted are the job seekers more likely to find employment on their own.

It becomes critical, therefore, for each site to develop a balanced portfolio of projects and prototypes that can serve as broad a continuum of job seekers as possible. Sites will need

to learn, in part through trial and error, what are the critical differences in the design features of projects directed at these different customer groups. It will also be essential for the sites to recognize that projects addressing the harder to serve may both be more expensive and show a lower success rate, and when these situations occur, to resist the temptation to reallocate Initiative resources to the more "productive" projects aimed at individuals who are more job-ready.

Balancing Systematic Analysis, Strategy Development, and Assessment with the Capacity to Respond to Opportunities That Present Themselves. The experience of the Planning Phase demonstrated that systems reform activities will not necessarily be deferred until the Implementation Phase, and conversely, that not all planning functions will end with the beginning of the Capacity-Building Phase. The status of the strategic plans and project/prototype designs at the end of the Planning Phase (in regard to the definition of milestones and the articulation and justification for retention targets, for example) suggests that additional specification of these elements needs to occur. Moreover, as the sites begin implementing their prototypes and projects, it will be critical for them to establish adequate self-assessment procedures so that they can accurately appraise the results of their efforts, and compare these results against those that were projected, in order to learn from their experiences and make sound mid-course corrections.

On the other hand, the sites also need to maintain sufficient flexibility to be able to respond to unique opportunities in a timely way. The ability to identify and seize upon such opportunities that present themselves is a central feature of the entrepreneurial orientation that AECF wishes for each site to develop.

Adapting to Changes in the Economy. It will be particularly important for the Jobs Initiative sites to institutionalize their ability to monitor changes in the regional economy and labor markets. The particular strategies and projects that were articulated by the sites over the Planning Phase were developed in the context of very specific economic and labor market conditions, which for most sites reflected a period of sustained economic growth. For example, the extremely tight labor market in some sites provided strong incentives for employers to be more open to experimentation and alternate sources of labor.

As the regional economies and labor markets go through their inevitable business cycles over the course of the Jobs Initiative, however, it will be essential for the sites to remain alert for and, whenever possible, to try to anticipate these changes. As the shifts in the economy and labor market occur, the sites will also need to assess how they are affecting the behavior of employers and other key institutions, and to determine how these changes are likely to impact the existing projects/prototypes. By keeping alert for these economic shifts, the sites will maximize their ability to adjust their strategies and to successfully weather such changes, and also to take advantage of whatever new opportunities that might present themselves.

Creating a Jobs Policy Network/Learning to Be Advocates for Systems Reform. During the Capacity-Building Phase, each of the Jobs Initiative sites will begin to establish a Jobs Policy Network and to devise a systems reform agenda. The sites will need to carefully consider the Jobs Policy Network's composition and institutional relationship to the rest of the Initiative. The structure of the Networks will reflect each site's strategy for conducting effective advocacy for policy changes. The development of advocacy strategies may be a very challenging task for some of the sites, since for the most part they have not had community organizing or advocacy interests at the center of their governance that might have provided some models and/or members for the Network. In fact, some sites have discouraged advocacy-oriented groups from participating in the Initiative to date, out of concern that they would be confrontational and divisive.

During the Capacity-Building Phase, however, it is expected that most of the Initiative sites will need to develop mechanisms to pursue advocacy positions, if they are to be effective in promoting their systems reform agenda. As part of this process, they will also need to learn how to address the tough issues, such as discrimination, that often are at the root of problems regarding employment accessibility. In carrying out their advocacy mission, however, perhaps the most difficult task that the sites will face is in finding ways to maintain working relationships with institutions and systems around issues of common interest, while at the same time pressuring those institutions/systems on reform items.

Addressing these challenges will not be easy, and together they may make the difficulties that the sites confronted during the Planning Phase look relatively minor in hindsight. The challenges discussed above will represent a serious test of each site's ingenuity, diplomacy, patience and will. These issues also represent an appropriate focus for the cross-site technical assistance efforts of AECF during the Capacity-Building Phase.

Conclusion

Over the course of the Planning Phase, each of the six Jobs Initiative sites was expected to undertake a broad array of very challenging tasks, including outreach to the Impact Community, engagement of the region's civic infrastructure, development of effective governance mechanisms, analysis of community resources, the regional labor market, and the workforce development system, and specification of promising job connection strategies and options for Initiative investment. Although the extent of progress on each of these tasks varied somewhat from site to site, each site was able to make substantive progress in creating an organizational and strategic foundation for its regional Initiative. Overall, the accomplishments of the Jobs Initiative sites during the Planning Phase have been impressive. These Planning Phase achievements are particularly significant in light of the fact that each of the local development intermediaries was called upon by its Jobs Initiative functions to assume new roles that tested the organization's flexibility and resourcefulness.

During the Capacity-Building Phase, the Jobs Initiative sites will encounter an expanded list of challenges relative to the refinement of governance mechanisms, implementation of prototypes and jobs projects, and initial development of a Jobs Policy Network and reform agenda. As the regional Initiatives evolve, the Jobs Initiative evaluation will report periodically on the experiences of each of the individual sites, particularly in terms of how their actual experiences compare with their "theories of change," what lessons have been learned as a result, and how the sites have responded to these lessons. In addition to documenting the unique aspects of each site's experience, the evaluation will attempt to identify any common patterns that emerge across the sites, in order to specify valuable cross-site findings that can be gleaned from similar problems, activities, or strategies being addressed in multiple sites. It is hoped that this analysis will result in insights regarding the strengths and limitations of strategies and techniques that will prove useful to the Jobs Initiative sites and the Annie E. Casey Foundation, as well as to a broader audience of program operators, policy makers, and researchers interested in similar system reform efforts.

Chapter One

Overview of the Jobs Initiative—Key AECF Hypotheses and Design Features[1]

In November 1995, the Annie E. Casey Foundation (AECF) launched the Jobs Initiative, an eight-year, six-site demonstration designed to improve access to jobs for disadvantaged, young job seekers, that is, individuals between the ages of 18 and 35 years with limited education and/or employment histories. In recognition of the innovative aspects and potential significance of this $30 million initiative, AECF selected a team headed by Abt Associates and the New School for Social Research to conduct an evaluation of the Jobs Initiative experience across the six sites over its eight-year term. This document is the first of a planned series of cross-site reports that will present the evaluation team's findings on the evolution and outcomes of the Jobs Initiative. This initial report presents background on the Foundation's goals and assumptions underlying the Jobs Initiative, and key findings regarding the process followed and the progress achieved by the six sites during the Initiative's Planning Phase.

A central feature of the Jobs Initiative evaluation is the use of a "theory of change" approach. Under this approach, the evaluation team works with AECF and the local stakeholders at the six Jobs Initiative sites to articulate the various theories of change that are guiding the strategies, plans and actions of the key participants in the regional Initiatives. The actual experiences of the sites as the regional Initiatives unfold are then documented and compared with these theories. By mapping in detail the timing of occurrences and the resemblance between the activities and results predicted and what actually occurred, the theory of change approach can provide an extremely rich description of the change processes that took place and be used to support inferences about the effectiveness of the intervention.[2]

Key points in any theory of change can be articulated as a series of hypotheses. Accordingly, in the following description of the major design features of the Jobs Initiative, we have

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1 See AECF, *Jobs Initiative Executive Summary 1995*, pp. 1-3, 5-8, 10.

2 For more information regarding the evaluation methodology during the Planning Phase, see Appendix A.

identified some of the Foundation's key hypotheses regarding the objectives of the Jobs Initiative and how these objectives can be achieved by the six sites. These hypotheses were derived from a combination of the written materials that were prepared by the Foundation in planning for the Jobs Initiative and discussions with AECF staff. Taken together, these hypotheses can be understood as the Foundation's initial "theory" of how to create and sustain change in the regional systems that affect employment and employability of inner-city job seekers. These hypotheses, and similar theories of change that will be surfaced at each of the six sites, will form a framework for assessing the overall progress and outcomes of the Jobs Initiative.

Key Hypotheses Underlying the AECF Jobs Initiative

Hypothesis: Improvements in employment and earnings experiences for disadvantaged job seekers will result in more positive outcomes for their families and children. However, if the employment experiences and economic status of young, disadvantaged job seekers (age 18-35 years) are not improved, reform of public human service systems alone may not be sufficient to upgrade significantly the well-being of the children and families of these job seekers.

Hypothesis: Residents in inner cities and other low-income areas both need and want decent jobs that have career potential and pay "family-supporting" wages and benefits. These residents include those who have little or no work experience, those who are unemployed and have exhausted their unemployment benefits, and those who are underemployed in jobs that do not offer family-supporting wages or benefits nor promotion potential.

Hypothesis: Among disadvantaged job seekers, unemployed and underemployed young minority men have particular needs with regard to employment, and they will probably require special approaches and support to find and succeed in decent, family supporting jobs.

Hypothesis: AECF can serve as an external catalyst of significant jobs-related systems reform that will improve connections to employment for disadvantaged job seekers at a regional level through the provision of modest investments over an extended period to regional initiatives pursuing locally defined strategies.

AECF is a national foundation whose primary mission is to create better outcomes for disadvantaged children. Historically, AECF has pursued this mission through efforts to reform the human services systems that serve these children and their families. In recent years, however, the Foundation has come to the conclusion that, as a single set of strategies, reform of these human services systems may not be sufficient to create long-term improvements in outcomes for poor children and families.

AECF recognized that many Americans, particularly disadvantaged persons of color in the inner cities of urban America, have poor access to jobs. Further, this lack of access frequently has serious implications for the job seekers' children, their families, and their communities. For example, the lack of work often results in financial and emotional strains that break families apart (or prevent other families from being formed). AECF's work over several decades relative to foster care and human services reform had dramatically demonstrated the consequences often experienced by children from one-parent homes, in terms of increased likelihood of poverty, neglect, delinquency, and other negative outcomes, patterns that often repeat themselves over succeeding generations. More broadly, the Foundation concluded that the disinvestment and joblessness in inner cities were critical underlying factors in the growing violence, lawlessness, and sense of hopelessness afflicting many urban communities. AECF became convinced that disadvantaged children and families might always remain at risk unless provided with access to income, opportunity and work, in addition to improved and responsive human services systems. The challenge for the Foundation, therefore, was to identify mechanisms for improving the connections of inner-city job seekers with "family-supporting" jobs that can provide the type of income and supports to allow disadvantaged families to achieve self-sufficiency.

Through the Jobs Initiative, AECF seeks to address the challenge by helping groups of local actors to pursue a systems reform agenda in promoting good jobs in the regional economy for disadvantaged job seekers.[3] The Foundation has provided the selected Jobs Initiative sites with seed money to develop and implement jobs strategies, including jobs projects to test potentially effective approaches to increase job access and reform advocacy to promote wider adoption of the positive lessons learned at the local, regional, and state levels.

In addition, by providing incremental funding to the regional Initiatives on an extended basis and contingent on a local match, AECF believes that it can encourage significant leveraging of local, regional, and state resources for Jobs Initiative activities from foundations, employers, and government agencies. According to AECF, the resulting expanded pool of resources will not only reflect the commitment of key actors to support the Jobs Initiative, but will also make it possible to generate increased results and impacts.[4]

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3 For AECF, a "good" or "family-supporting" job involves employment that pays $7-$8 per hour at a minimum (varying by region), has career opportunities, and provides employer-assisted benefits. (Source: AECF, *Annie E. Casey Jobs Initiative: Making Connections—Initiative Summary*, March 27, 1995, p. 3.)

4 AECF, *National Investor's Outcome Outline—1995*, p. 10.

Hypotheses Regarding Key Elements and Roles in the Regional Jobs Initiative Sites

Hypothesis: By tapping into the civic infrastructure, by involving key local stakeholders and decision-makers from existing systems, and by developing and sustaining diversity among leadership, participants and staff, the regional Jobs Initiative is more likely to represent successfully the needs, aspirations, and realities of job seekers and employers. As a result, the Initiative will be more effective both in gaining the support that will ensure its sustainability when AECF grant funding is no longer available, and in achieving systemic change.

Hypothesis: A designated "Impact Community" will provide a framework for the regional Jobs Initiative in understanding the barriers faced by disadvantaged job seekers, as well as a source of suitable participants for prototypes and jobs projects.

Hypothesis: A "development intermediary" can serve as the lead organization and catalyst of each regional Jobs Initiative, bringing crucial local stakeholders together, facilitating the process of defining the regional strategy(ies), making investment decisions about prototypes and jobs projects, and initiating the Jobs Policy Network and reform agenda.

Hypothesis: Designated "neighborhood organizations" can serve as effective connections between the Jobs Initiative and the Impact Community in terms of outreach, recruitment, and community input.

Hypothesis: Some Impact Community residents can be said to be "job-ready," based on their record of past employment, how recently they have been employed, and the skills they possess. These job-ready residents represent a desirable pool of jobs project participants because they are more likely to succeed in these projects. Accordingly, by initially emphasizing jobs projects that focus on these job-ready individuals, the Jobs Initiative sites will be more effective in developing a positive track record that will build support for the regional Initiatives. Over time, they can then expand their portfolio of projects to serve those who are less job-ready.

Hypothesis: With minimal investments over a short period (generally less than six months), "prototypes" undertaken by the regional Jobs Initiative sites can yield valuable lessons regarding the design features of possible jobs projects and/or the potential for such projects to demonstrate improved employment connections for disadvantaged job seekers.

Hypothesis: Jobs projects can reveal potential levers for reform and/or demonstrate methods for improving the connections of disadvantaged job seekers with employment. The insights gained from the jobs projects and other Initiative activities can become the basis of a policy reform agenda that will allow the Jobs Initiative's lessons/reforms to be taken "to scale."

Hypothesis: The regional Jobs Initiative sites will be able to undertake collaborative efforts involving a broad array of partners, as well as effective advocacy activities directed at institutions and/or systems to accomplish specific procedural, policy, or structural reforms.

The basic framework of the Jobs Initiative reflects AECF's belief in the importance of a number of elements in promoting increased access to good jobs in the region. These critical elements include:

- The implementation of multiple, locally designed jobs projects in selected cities/regions that will address crucial but varying labor market barriers and opportunities, and test promising strategies;
- The mobilization of a civic infrastructure around the theme of creating jobs for young, disadvantaged inner-city job seekers in each selected city. (By civic infrastructure, the Foundation means "the network of business, civic, public, philanthropic, and [the] community relationships, resources, and capacities."[5]);
- The building and strengthening of connections among jobs projects, human service systems, and other jobs-related services, and of connections between these entities and communities in need;
- In each site, the development of a jobs policy agenda to promote broader systems changes in light of the experience and insights gained from jobs projects and other activities; and
- The linking of the jobs projects and other Jobs Initiative activities with relevant local, state, and federal initiatives, in the entire region or in the communities in need.

As noted above, the Jobs Initiative is aimed at improving the connections of disadvantaged job seekers to employment through regional economic development and job linkage strategies. As such, it is not a "place-based" effort, in contrast to many of the other initiatives that have been undertaken by AECF over the last decade. Nonetheless, in order to create a context for local stakeholders in assessing the barriers faced by the job seekers, each site has been required to designate an Impact Community. The Impact Community represents an area of approximately 50,000 to 100,000 residents. The AECF guidelines for Impact Community designation also indicated that the area should have: boundaries that fit with commonly accepted community geography and governance; a demonstrated need for jobs for young adults; the organizational capacity to participate in the Jobs Initiative planning process; a human services infrastructure; and the potential to develop/support community-based jobs projects. It was not anticipated that all jobs projects would be physically located in the Impact Community, but AECF did expect that strong connections would be established between the Impact Community and the projects. In addition, at least half of the participants in the jobs projects are expected to come from the designated Impact Community.

5 Ibid, p. 7.

Although the jobs projects are expected to differ from site to site in regard to features such as strategy, partners, and location, all are required to be designed to reflect the following characteristics:

- Market-oriented—acknowledging the economic dynamics affecting jobs and occupations, and emphasizing the active involvement of employers in identifying job opportunities and in designing training and other key elements of the project;
- Integrative—seeking to overcome arbitrary programmatic and jurisdictional boundaries in order to create partnerships and packages of services among economic development, employment training, and human services entities to connect people to jobs;
- Networked—recognizing that isolated projects cannot be flexible and responsive, the jobs projects must "knit together, formally and informally, an array of institutions, resources and services" so that job access strategies work for both job seekers and employers;[6]
- Community-based—in the design and implementation of the projects, establishing connections with community institutions and people to ensure that jobs and opportunities reach disadvantaged job seekers;
- Empowering—recognizing people's dignity as a building block and starting point, utilizing their skills and assets, and facilitating their participation and ownership of the initiative;
- Entrepreneurial—searching out and seizing opportunities that become available, and taking the necessary steps to make the connection between job seekers and good jobs, even if it means challenging conventional wisdom or established institutions;
- Evolutionary—making adjustments in the jobs projects as economic, political, and community conditions change, or as experience dictates.[7]

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6 AECF, *Framework Paper: The Annie E. Casey Foundation Jobs Initiative*, March 1995, p. 14.

7 AECF, *Jobs Initiative Executive Summary 1995*, pp. 5-6; AECF, *Jobs Initiative Framework Paper*, (March 1995), pp. 14-15. AECF's specification of the key characteristics of model jobs projects was derived from a Foundation-sponsored review of previously-successful community economic development efforts. In particular, learnings about job-centered economic development were drawn from: Rainbow Research, Inc., *Job Opportunities*; Bennett Harrison and Marcus Weiss, *Building Bridges: Community Development Corporations and the World of Employment Training* (New York: Ford Foundation, 1994); and Fred O'Regan and Maureen Conway, *From the Bottom Up: Toward a Strategy for Income and Employment Generation Among the Disadvantaged* (Washington, D.C.: The Aspen Institute, 1993).

AECF believes that jobs projects reflecting these characteristics will be effective vehicles for discovering the nature of reforms needed in existing public and private systems within urban areas, so that lasting connections between disadvantaged persons and the labor market can be forged.[8]

In addition to the characteristics of jobs projects, AECF has defined a number of distinct roles for local actors in the Jobs Initiative. What these roles have in common is that they are concerned with engaging the on-going involvement of the civic infrastructure of the city and region in the reform effort, and/or in establishing connections with the Impact Community. The prescribed roles at each site include:

> ***Application Convener:*** an organization designated by AECF to convene public, private, philanthropic, civic, and community actors in each identified city/region, in order to engage their participation in the development of the application to the Foundation for funding for the Planning Phase of the Jobs Initiative.
>
> ***Development Intermediary:*** an entity, chosen by key stakeholders in each site during the Jobs Initiative application process, which serves as the lead organization for the local Initiative. The development intermediary has the primary responsibility for the implementation of the Jobs Initiative; as such, it serves as a key (if not the principal) change agent for the site. The development intermediary has multiple roles, including: (1) the formal AECF grant recipient; (2) the coordinator of the Jobs Initiative planning process; (3) the capacity builder and "venture capitalist" that both develops and invests in the jobs projects; and (4) the catalyst for bringing key stakeholders "to the table" and for creating and maintaining ongoing, viable connections among all Initiative actors. Although the development intermediaries were selected because of both their existing network of extensive relationships across sectors and their past track records in related projects, AECF believes that these entities will be able to function in an entrepreneurial fashion, think innovatively, and resist pressure to simply support existing jobs access efforts.
>
> ***Community/Neighborhood Organization(s):*** one or more community-based organizations in the Impact Community, selected during the application process, whose functions include serving as the connectors between the community residents and the development intermediary, the jobs projects, and the human service providers. As envisioned by AECF, the community/neighborhood organizations

8 AECF, *National Investor's Outcome Outline—1995*, p. 8.

will be involved in planning activities, conducting outreach activities, and designing strategies relative to recruitment and community supports.[9]

Jobs Policy Network: a coalition of people, institutions, and jobs projects that will draw on the experiences of the demonstration to develop a policy reform agenda, and that will advocate for these reforms in order to institutionalize (or implement at a much broader scale) the lessons learned about improving jobs access.[10]

The eight-year Jobs Initiative has been envisioned by AECF as consisting of three phases which—while not seen as mutually exclusive—were defined to provide structure to the planning and implementation of jobs projects and policy reform agenda. First was the ***Planning Phase***, running from November 1995 through March 1997, during which the selected sites were expected to bring together the key local stakeholders, to analyze regional barriers and opportunities, develop initial strategies for improving employment access, and to identify the projects and other activities in which the local Jobs Initiative intended to make initial investments. At the end of the Planning Phase, sites were required to describe the results of their analysis and the key features of planned projects in a Strategic Investment Plan (SIP).

This Strategic Investment Plan—the major deliverable for each Jobs Initiative site during the Planning Phase—is seen as providing an explicit rationale and description of the site's strategies, proposed prototypes/jobs projects, governance, and milestones, representing the consensus view of key stakeholders regarding the actions to be taken to implement the regional Jobs Initiative. The consensus-building process is seen as essential in helping to ensure the backing necessary for the successful implementation of the proposed prototypes, projects, and other Initiative activities.

The SIP also provides an initial "roadmap" against which the regional Initiative's progress can be measured, and is a "living document" that can be modified by the local investors to incorporate experiential learnings and to respond to new opportunities over the course of the Initiative. Further, as each regional Initiative's program demonstrations yield insights about which policy reforms are needed, annual updates to the Strategic Investment Plan will reflect the development of a policy reform agenda.[11]

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9 AECF, *Framework Paper*, op. cit., p. 26, and AECF, *Jobs Initiative Executive Summary 1995*, op. cit., p. 8.

10 Susan Gewirtz and Robert Giloth, *Lessons Learned (Pondered): The Start-Up and Planning Period for the Jobs Initiative, March 1995-March 1997*, (Draft: May 1996), pp. 7-8.

11 AECF, *National Investor's Outcome Outline—1995*, p. 8.

Hypotheses Regarding the Phased Approach of the Jobs Initiative, the Use of an Entrepreneurially Oriented Planning and Management Framework, and the Role of AECF in Oversight and Technical Assistance

Hypothesis: A staged approach to the development of the regional Jobs Initiative—with separate planning, capacity-building, and implementation phases—will promote the identification of promising strategies, careful testing of approaches for improved employment connections, clear articulation of a policy reform agenda, and effective advocacy for systems reform.

Hypothesis: A staged Initiative development approach, with annual grant review and renewal, will also allow the Foundation to assess periodically and revise its own investment decisions in the regional Jobs Initiative sites, including getting individual sites to take specific corrective actions.

Hypothesis: AECF can substantially assist the on-going Initiative development process at the regional sites—while at the same time allowing them adequate discretion to derive local strategies—by exposing the sites to relevant models and experiences from around the country, and by offering both group and one-on-one technical assistance on a variety of approaches and techniques that might be of use to the sites.

Hypothesis: In particular, the use of the Outcome Funding framework as a planning and management tool will assist the sites in identifying Jobs Initiative "customers" and in analyzing the nature of the problems and opportunities that they face. It will also promote a more objective process of considering alternate strategies for addressing these problems and opportunities. Further, through its emphasis on results and "investor" nomenclature, the Outcome Funding framework will reinforce the entrepreneurial outlook of the regional Jobs Initiative.

Hypothesis: Despite the pressures and demands of implementation, the Jobs Initiative sites will be able to conduct a thoughtful, on-going self-assessment process that will allow them to learn from their experiences and take necessary corrective action in a timely fashion.

Following the Planning Phase and AECF's approval of their SIPs, sites will undertake a three-year ***Capacity-Building Phase***. During this period, the Jobs Initiative sites are expected to institute the organizational structure and other mechanisms necessary to implement their planned jobs projects, in order to use these projects to test methods for improving jobs access. The sites will also revise and strengthen these projects and develop additional projects and activities, based on their experiences with implementation and job project operations. Over the course of the Capacity-Building Phase, each site will also put together its Jobs Policy Network, which will begin developing the site's policy reform agenda. It is anticipated that this reform agenda will be derived, in part, from the lessons learned from the various jobs projects.

The final phase of the Jobs Initiative will be the ***Implementation Phase***, which will last four years. During the Implementation phase, the sites will be expected to have a fully articulated policy reform agenda, and to engage in a series of activities advocating for institutional change and systems reform.

AECF views the eight-year timeframe and phased approach to the unfolding of the Jobs Initiative as a mechanism to encourage a deliberate, systematic effort on the part of the sites to identify and confront the key barriers to jobs access in each city/region, as well as to promote a longer-term orientation, since it is expected that the problems being addressed may not respond easily to the intervention. The phased approach is also seen as a way to maintain accountability, and to provide opportunities for AECF and the sites to review their investments periodically and make mid-course adjustments.

Chapter Two

The Application Process and Characteristics of the Selected Jobs Initiative Sites

The Jobs Initiative Application Process

After considering thirty cities as possible candidate sites, in April 1995, AECF staff invited eleven communities to submit applications for Jobs Initiative planning grants. In each site, AECF also identified a local application sponsor—or convener—that was linked to the civic infrastructure, local foundations, and other entities concerned about jobs access for disenfranchised people. These conveners were asked to coordinate the development of the Jobs Initiative application for their respective communities, including bringing together key actors representing local, regional, and state entities with an interest in systems reform. Of the eleven communities approached, ten agreed to submit applications.[12]

Each of the participating communities had an eight-week period to prepare their Jobs Initiative planning grant applications. The applications were required to describe regional needs and opportunities relative to jobs access, as well as to present a preliminary plan for carrying out the first stages of the Jobs Initiative. In detailing that plan, sites were required to designate the Impact Community for the local Initiative, a development intermediary to lead the effort, and one or more community/neighborhood organizations responsible for outreach within the Impact Community. The applicants also needed to demonstrate that they had raised the necessary local match for the Planning Phase of the Jobs Initiative.[13] These elements of the Jobs Initiative application mirrored the requisite factors for acceptance that

12 Kingslow Associates, *The Jobs Initiative: Observations of the Application Processes of Candidate Sites*, (Chicago, IL) June 1995, pp. 1-2. The sites responding to the request for applications were: Charlotte, NC; Denver, CO; Kansas City, MO; Little Rock, AR; Milwaukee, WI; New Orleans, LA; Oakland, CA; Philadelphia, PA; St. Louis, MO; and Seattle, WA. San Antonio, TX withdrew from the application process after several weeks.

13 Ibid, p. 1. The Jobs Initiative planning grants were for $180,000, with a required dollar-for-dollar local match.

AECF had articulated at the outset of the site selection process.[14] Applications were due at AECF on June 12, 1995.

In its review and site selection process, AECF incorporated several innovations that had not been used in prior Foundation initiatives.[15] Among these were assessments of the local civic infrastructure, the use of more extensive external feedback, including application readers and on-site consultants, and frequent site visits to the applicant sites. Based on the extensive review and site visits, the AECF staff recommended to the Foundation's Board of Trustees that six sites be awarded grants for the Planning Phase of the Jobs Initiative. At its October 1995 meeting, the Board of Trustees agreed with the staff's recommendations, and authorized Jobs Initiative planning grants to the following communities: Denver, Milwaukee, New Orleans, Philadelphia, Seattle, and St. Louis. The formal commencement of the Planning Phase was scheduled for November 11, 1995, and a Kick-off Conference involving the six sites was held in December 1995.

Features of the Selected Sites

In their applications, each of the six selected communities had been able to demonstrate the key attributes that AECF was looking for in a Jobs Initiative site: a strong civic base, a development intermediary that had a capacity to get things done, existing jobs projects or related experience to build upon, and local philanthropic support to match the AECF resources.[16] In addition, however, the sites collectively reflected considerable diversity, in terms of the strength of their regional economy and labor markets, the location and ethnic composition of their Impact Communities, and the institutional vantage point from which the local development intermediary will be leading the effort.

This diversity in the sites selected was quite intentional on the part of the Foundation. Although AECF was very explicit that the principal objective of the Initiative was to achieve systems reform and not just to demonstrate jobs projects that could be replicated elsewhere,[17] the Foundation was also very interested in gaining understanding in how a jobs agenda could

14 These factors were: (1) strong regional activity; (2) evidence of need in city; (3) capacity to form a civic infrastructure; and (4) minimum threshold criteria such as identification of local convener, presence of local funding partners, and identification of possible development intermediaries. Source: AECF, *Abstract of Jobs Initiative Site Selection Process*, May 20, 1996.

15 Ibid.

16 Robert Giloth, *Mapping Social Interventions: Theory of Change and the Jobs Initiative* (draft), March 1996, p. 7.

17 AECF, *Jobs Initiative Executive Summary*, 1995, p. 9.

be launched and sustained under different conditions. AECF staff also felt that diversity among sites would contribute to the inter-city learning and development process.[18]

The Regional Economy. In terms of their regional economies, the six sites range from extremely robust to stagnant. On one end of the scale, Denver and Seattle have been experiencing booming economies for the last several years. In the decade preceding the Jobs Initiative, for example, total regional employment in Denver increased by more than 18 percent, and in 1996 the regional unemployment rate had dropped to 3.5 percent. Seattle, with an economy bolstered by Boeing and Microsoft, reported a regional unemployment rate in 1995 of only 5.2 percent.

Similarly, the regional economies of Philadelphia, Milwaukee, and St. Louis posted considerable gains in employment in the years preceding the Jobs Initiative. In all of these regions (including Denver and Seattle), however, the overall pattern has been that the growth is increasingly concentrated in the outlining suburban areas.[19] Accordingly, *job access* continues to be a pressing issue for inner-city residents of these communities, despite what appears to be a rosy economic picture for the regions.[20]

In contrast, the New Orleans region as a whole realized an employment growth rate from 1984-1994 of only 3 percent, and during this time total employment in the city of New Orleans/Orleans Parish actually declined by 9 percent. As a result, the challenges faced by this site in accessing jobs are likely to be significantly different than those in the regions with much healthier economies.

Location and Jurisdictional Boundaries. The six Jobs Initiative sites also exhibit some variation in the location and jurisdictional boundaries of their respective Impact Communities. In four of the sites—Denver, Milwaukee, New Orleans, Seattle—the Impact Community consists of lower income neighborhoods surrounding the city's downtown area (and sometimes including portions of the central business district as part of the Impact Community). In Philadelphia, the Impact Community is likewise completely contained within the city's jurisdictional boundaries, but instead of being located contiguous to downtown, is made up of three neighborhoods located in the northwestern portion of the city.

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18 Gewirtz and Giloth, *Lessons Learned*, op. cit., p. 10.

19 We do not mean to imply that there are no jobs available within these cities. Indeed, Denver has over 400,000 jobs within its city limits, for example. However, the dominant pattern for the Jobs Initiative sites is that most of the new employment growth is occurring in the suburban areas. This pattern can represent an additional barrier to inner-city residents looking for employment, particularly if they do not have dependable private transportation or convenient public transit.

20 A related concern for the Jobs Initiative is that in many instances, the job growth is occurring in the lower-paying service industries, whereas employment in manufacturing and some other higher-paying industries continues to decline.

In St. Louis, the Impact Community spans two separate jurisdictions, with the boundary between the city of St. Louis and St. Louis County dividing the Impact Community approximately in half.

Racial/Ethnic Composition. Because of the Jobs Initiative's general focus on inner-city disadvantaged populations, it was anticipated that the designated Impact Communities would include many neighborhoods with high concentrations of persons of color. Although this pattern occurred, nonetheless there still are some interesting variations among the six selected sites in the ethnic/racial composition of the Impact Communities. In three Jobs Initiative sites (New Orleans, Philadelphia, and St. Louis), an overwhelming majority of the Impact Community residents in 1996 were African Americans, representing 90 percent or more of the population in those target areas.[21] In the Milwaukee Jobs Initiative site, African Americans also were in the majority (65 percent of Impact Community residents), but this target area also included significant numbers of Hispanics (15 percent of Impact Community residents) and whites (14 percent), as well as small Asian/Pacific Islander and Native American populations (4 percent and 1 percent, respectively).

In Denver's Impact Community, Hispanics represent the dominant ethnic group, and comprised 50 percent of the target area's population in 1996. Denver's target area also includes a substantial African American population (26 percent of the Impact Community's residents) and white population (21 percent) and, like Milwaukee, small Asian/Pacific Islander and Native American populations (2 percent and 1 percent, respectively).

Seattle's Impact Community is by far the most racially diverse. Although whites represented the single largest population group in the target area in 1996 (32 percent of residents), there were also sizable Asian/Pacific Islander (30 percent) and African American (29 percent) populations. Hispanics represented 7 percent of Seattle's Impact Community population, and Native Americans comprised 2 percent.

One additional feature of the Impact Communities that is worth noting is that, despite their close proximity, similar income and (in some cases) racial characteristics, the target neighborhoods that make up the Impact Community in each site did not appear to have a common identity prior to the Jobs Initiative in any of the six sites. Therefore, while the Impact Communities do have boundaries that reflect "commonly accepted community geography and governance," this has been achieved through clustering distinct

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21 Among these three sites, Philadelphia's Impact Community is most racially mixed, with small white (4 percent), Hispanic (3 percent), and Asian/Pacific Islander (2 percent) populations. The non-African American residents of New Orleans's Impact Community are divided among whites (8 percent), and Hispanics (2 percent). The non-African American residents of the St. Louis Impact Community are white, representing 7 percent of the target area's population. *Note: The source for all ethnic/racial data is the 1996 Claritas estimates of population.*

neighborhoods that generally had limited experience working with each other.[22] It will be interesting to assess, therefore, the extent to which these clusters of neighborhoods begin to acquire a common identity over the course of the Jobs Initiative.

The Nature of Organizations Serving as Development Intermediaries. AECF's experience in its efforts to promote systems change prior to the Jobs Initiative had led the Foundation to conclude that systems—because of established patterns of institutional self-interest—are often unable to reform themselves, even in instances where there is wide recognition that the system is not functioning effectively. Therefore, "change agents," often external to the system establishment itself (such as national foundations), are necessary to identify the necessary reforms, and to mobilize the resources, focus and relationships to foster change.[23]

In addition, for the Jobs Initiative, the AECF staff have adopted an outcome-based funding framework in which the Foundation and the local sites are encouraged to take on the role of "investors" looking to maximize their returns in terms of systems reform and improved jobs access and attendant outcomes for disadvantaged job seekers. In part, the decision to use this outcome planning and management framework grew out of AECF's review of community economic development (CED) efforts to find model projects or approaches that could be emulated. This review found that there was no single model for an effective CED effort, but one feature that the most promising approaches seemed to have in common was that the efforts were *entrepreneurial* in character, led by "enterprising individuals who are operating in spite of, rather than because of, current mainstream policies and programs."[24] The Outcome Funding framework was seen as a mechanism that would promote entrepreneurial behavior.

Given the central role of an "entrepreneurial intermediary" as the key change agent in AECF's Jobs Initiative design, it is interesting to note the varied types of organizations that

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22 The most notable exception to this overall pattern is in New Orleans, where the Citywide Tenants Council (CTC) has historically served as a vehicle for some united efforts among public housing developments. These CTC efforts, however, generally have not included the contiguous residential areas that also are part of the New Orleans Impact Community.

In Philadelphia, the West Oak Lane, Olney and Logan neighborhoods of the Impact Community also have some prior experience working together. However, these areas have traditionally maintained very separate neighborhood identities.

In at least one site—St. Louis—the Impact Community boundaries were designed specifically to encourage collaboration between jurisdictions (that is, the city and county) that have a long history of non-cooperation.

23 Giloth, *Mapping Social Interventions*, op. cit., p. 8.

24 AECF, *Framework Paper*, op. cit., p. 1.

have been selected to fulfill that role across the six Jobs Initiative sites. For example, in Denver a regional foundation[25] was selected as development intermediary, in Milwaukee a coalition of labor and community representatives was designated,[26] in New Orleans a civic group[27] was selected, and in Philadelphia a regional reinvestment fund[28] was chosen. In two sites, a public or quasi-public agency was selected to serve as development intermediary; in Seattle a city agency[29] was designated, and in St. Louis the regional council of governments[30] was chosen. It is noteworthy that AECF felt it was useful for the Jobs Initiative to explore whether public agencies could assume what is essentially an entrepreneurial function.

Although each site had to demonstrate in their applications that the proposed development intermediary possessed a strong track record in carrying out similar initiatives, the specific experience that the organizations were bringing to the Jobs Initiative varied considerably. Most had experience in one or more functional areas related to the Jobs Initiative's proposed approach.[31] For example, the St. Louis development intermediary had worked in developing responsive regional transportation systems and as the convener for Bridges to Work.[32] Seattle's development intermediary had been involved in attempting to integrate the community, economic, and workforce development sectors. The Philadelphia development intermediary, as a regional reinvestment fund, had extensive experience "investing" in multiple housing, neighborhood planning, and commercial projects (and was conducting planning for a new ventures fund during the Jobs Initiative Planning Phase). Denver's development intermediary had been a key actor in a job creation effort within the health sector, and Milwaukee's intermediary was at the heart of an on-going campaign to develop and implement a comprehensive economic development plan for metropolitan Milwaukee. Although the New Orleans development intermediary had somewhat less functional experience than the others, it also had a track record as a convener and catalyst for change in the metropolitan area.

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25 The Piton Foundation.

26 Campaign for Sustainable Milwaukee; as will be discussed later in this report, responsibility as development intermediary was later shifted to a newly-organized non-profit.

27 Metropolitan Area Committee (MAC).

28 Delaware Valley Community Reinvestment Fund (DVCRF).

29 Seattle's Office of Economic Development (OED).

30 East-West Gateway Coordinating Council.

31 Kingslow Report, op. cit., p. 5.

32 Bridges to Work is a welfare-to-work demonstration project sponsored by HUD and Public Private Ventures to provide public housing residents access to employment through the provision of transportation and other supports.

Notwithstanding their previous experience, the multiple responsibilities of the development intermediary meant that each of these entities would need to assume new roles and acquire new areas of expertise as part of the Jobs Initiative. For some of the development intermediaries, like St. Louis and New Orleans, being directly involved in the area of workforce development was largely new. Other sites found new roles in their Jobs Initiative functions as convener, strategic thinker, project designer, partner, or advocate. Thus, despite the diversity of the organizations, something that they shared in common was that the Jobs Initiative experience was testing and stretching their capabilities, and in the process altering people's perceptions of the organization's role in the community or region.

This section of the report has provided a brief overview of the process through which the six Jobs Initiative sites were selected. It has also presented a description of the differing economic, geographic, social and institutional contexts in which the individual sites began the Jobs Initiative. In the next portion of the report, the six sites' experiences during the Planning Phase are discussed, including an examination of the governance structure and decision-making processes followed by the sites, their use of the Outcome Funding framework, and the nature of the analyses performed to develop their site-specific strategies.

Chapter Three

The Planning Process

The formal Planning Phase of the Jobs Initiative consisted of a 17-month period, from November 1995 through March 1997. During this period the individual sites performed outreach to the Impact Community and key stakeholders; put together their initial governance structures; conducted analyses of the labor market, community resources, and the existing workforce development system; identified critical barriers and opportunities to expanding employment access; considered alternate strategic approaches to addressing these problems and opportunities; and crafted prototypes and jobs projects to test out their strategic approaches, and found partners to assist in implementing these efforts. The sites also specified a plan for developing the necessary organizational infrastructure for the Initiative during the Capacity-Building Phase and, in some cases, began specifying and/or advocating for a policy reform agenda.

As noted above, AECF required the six sites to use the Outcome Funding methodology as a way to provide structure to their planning processes and to encourage an entrepreneurial orientation. The Outcome Funding framework divided the planning process into steps and required the sites to prepare a series of documents, each designed to build on the work completed during preparation of the previous document. The three main Planning Phase deliverables under the Outcome Funding framework were:

- ***Preliminary Investor's Outline***: Due on March 4, 1996: this initial document presented a set of "givens and assumptions" about jobs seekers, employers, policymakers, and other key stakeholders, as well as some strategic and investor assumptions, and a first draft of a Outcome Statement outlining the overall objectives for the regional Initiative.

- ***Local Investor's Outcome Outline (LIOO)***: Due on August 12, 1996: this document allowed the sites to revisit and revise the givens and assumptions and the Outcome Statement. In addition, in this document the sites described their individual "Preliminary Investor Performance Targets," and a portfolio of strategies for accomplishing those targets.

- ***Strategic Investment Plan (SIP)***: Due on December 2, 1996: the SIP represented the culmination of the strategic planning process for each site. Using the analysis and materials from the earlier documents as a foundation, it described the strategies, prototypes and projects proposed for implementation during the Capacity-Building Phase, a preliminary systems reform agenda, the

organizational infrastructure that would be created for governance, management and self-assessment, and the financial requirements for carrying out these various activities.

Some informants at the sites expressed the view that the Jobs Initiative planning process was too long. These informants also generally emphasized the importance of creating tangible projects or activities as quickly as possible, so that the targeted customers (whether Impact Community job seekers, representatives of CBOs, or employers) could "see" the results of the planning process. This was believed to be critical both to foster a clearer understanding of the Initiative among its potential customers, and to demonstrate the Initiative's ability to generate concrete results.

For the most part, however, conducting the requisite planning activities and preparing the deliverables by the specified deadlines severely tested the capabilities of each of the sites. Although differing in their importance from site to site, the factors accounting for the difficulties in meeting deadlines include:

- Struggles over governance issues;
- The time required to perform outreach to and establish relationships with new partners;
- The demands of managing multiple tasks forces and subcommittees;
- The necessity to acquire new skills, including the lack of familiarity/time required to learn the Outcome Funding framework;
- The level of effort and time associated with the mapping/analysis functions (even if contracted out);
- The limited staff resources available during the Planning Phase, and the multi-tasking that resulted; and
- Various distractions, including AECF and evaluation site visits, conferences, etc.

The following sections describe in greater detail the main elements of the Jobs Initiative planning process at the site level, noting both the challenges faced by each of the sites, and the successes and insights they have gained. This discussion starts with an examination of the governance structures and decision-making processes used by the sites, including an assessment of the types of stakeholders that participated in the planning process.

Participation, Governance Structures and Decision-Making

In designing the Jobs Initiative, one of AECF's fundamental concerns was whether the regional Initiatives would be able to mobilize the support of the civic infrastructure, and build partnerships among actors from the civic, business, governmental, and community sectors. Related to this, AECF wondered whether the sites would be able to develop mechanisms for involving representatives from the different sectors in meaningful roles in the planning process.

In large part, the Planning Phase experiences of the six sites suggest that these concerns were generally unwarranted. Each of the sites established governance structures that exhibited representation from multiple sectors, including civic groups, educators, community organizations and residents, representatives of business groups, and government officials. The mechanisms used to involve these individuals in the Initiative planning process varied, but the most common approaches ranged from membership on steering committees and advisory/working groups (i.e., more formal governance roles), to community forums, assistance in fundraising, small group or one-on-one discussions, surveys, advocacy activities, and site visits/conferences.

Inclusiveness

Although AECF is clear that inclusiveness was not an end in itself, the Foundation felt that it was critical to involve key stakeholders in the Initiative planning process, in order to accurately assess and reflect needs and opportunities, to develop appropriate strategies and prototypes/projects, and to build a network of support for the implementation of the projects/prototypes and system reform agenda. While each of the regional Initiatives was able to engage representation from multiple sectors, the overall pattern also shows that the sites generally found it easier to achieve participation from some sectors than from others. For example, all sites seemed to have success engaging participation from the public, education, civic, and non-profit sectors. In contrast, many sites found it more challenging to gain participation by business persons and/or by community residents.

Participation by Business

To a great extent, particularly during the early stages of the Planning Phase, the private sector was represented on the Jobs Initiative governance boards primarily by the staff of major business associations (i.e., Chambers of Commerce, Commerce and Growth Associations), rather than by individual business persons themselves. Moreover, some of the business persons that were involved early on the governance boards were participating as representatives of "the business community," and therefore were in less of a position to

make specific commitments or contributions to the Initiative than the business participants who were representing the interests of their particular firms.

The Jobs Initiative sites probably could have improved the level of participation by business persons on their governance boards, but some of the individuals associated with the regional Initiatives seemed reluctant to recruit members of the business community in the early stages of the Planning Phase. The reasons given for this reluctance tend to fall into two categories. First, some of those active in the planning process argued that business persons were generally critical of the current workforce development system, and also would have very limited tolerance for the drawn-out Jobs Initiative planning process. Therefore, rather than alienating these individuals by making them sit through endless meetings, these individuals argued that it made more sense to defer outreach to the business community until the regional Initiative had a clearer sense of strategy and projects, so the business persons would have immediate activities with which to connect, and would be able to see the difference between the Initiative's projects and those offered by the existing workforce development system.

Other informants (frequently, the community representatives) expressed a variation on this argument. Again, these informants argued that it did not make sense to establish partnerships with businesses until the strategies and projects had been specified to a much greater extent, but for these individuals it appears to be related to the issue of control. They were concerned that a persuasive business person might be able to advocate effectively for a particular jobs project before the group had a fair chance to consider alternatives, or that an organized business sector on the steering committee might overwhelm the "voice of the community."

Although business representation on the Jobs Initiative governance boards was often limited during the Planning Phase, this was not always the case, as the Milwaukee example on the following page demonstrates. Moreover, even if the formal representation by business persons on their governance boards was limited, the sites used a variety of outreach techniques to obtain the opinions of the business community for their planning purposes. For example, when the St. Louis site found that business persons, particularly those from the manufacturing sector, were very reluctant to attend the regular planning meetings of its Planning Network, the development intermediary undertook special efforts to try to ensure the input of this sector. Focus groups and one-on-one meetings were held with representatives of more than 20 firms in the region, and the information culled from this effort was shared with the Planning Network as part of the process of specifying key problems and opportunities in developing the site's Local Investor's Outcome Outline.

It is also interesting to note that, as some had predicted, individual employers did begin to play a much more direct and meaningful role in several of the sites as the regional Initiatives came closer to specifying their prototypes and projects. In Denver, for example, the metro Chamber of Commerce had served as the principal representative of business during the application period, but the role of the Chamber diminished during the Planning Phase. At the same time, however, the Denver Workforce Initiative (DWI) was adding additional

Involving Businesses in Governing the Initiative:
An Example from Milwaukee

In **Milwaukee**, business owners and executives comprised one-third of the 12-member governance board from the beginning of the Planning Phase. [33] Although Milwaukee maintained business representation throughout their Planning Phase, they had a unique hurdle to overcome in terms of recruiting and maintaining such business participation. In August 1995, the Wall Street Journal printed an Op-Ed piece criticizing local businesses for pledging support for what some critics of CSM [the development intermediary] labeled as a threatening, anti-business progressive movement. To the Initiative's credit, most of the early supporters from the business community remained loyal to the Milwaukee Jobs Initiative (MJI), although this controversy eventually led to the creation of a new institutional home for the MJI.[34]

business executives to its Steering Committee (a total of four by June 1996), in part as a result of relationships established through DWI's working groups that were focusing on various industries.

Over time, employers emerged as active partners as projects and prototypes were being defined in other sites as well. For instance, although several business *associations* were represented, through August 1996 the St. Louis Regional Jobs Initiative (SLRJI) had no actual private business persons on the governance structure for the Initiative. In the fall of 1996, however, as the deadline for the SIP approached, the staff of the St. Louis development intermediary began discussions with a major employer about the possibility of a business services job project with that employer, targeted to women who were former welfare recipients. By the time that the SIP had been submitted, this firm not only had become a key partner in one of the jobs projects being proposed by the St. Louis site, but also was named to one of the seats on the newly restructured (and considerably smaller) governance board for the Initiative.

33 The 12-member Planning Phase Steering Committee was comprised of representatives of business, labor, and the Impact Community. Four appointments to these seats were each made by the Greater Milwaukee Committee (representing business), the Milwaukee County Labor Council (representing the community, and the Campaign for Sustainable Milwaukee (representing the Impact Community).

34 Another potential result of this controversy was that MJI chose to raise small amounts of matching funds from many businesses rather than large sums from a few, as a way of demonstrating the breadth of business support from firms in the Milwaukee region.

Participation by Community Residents

All of the Jobs Initiative sites had representation of community-based public agencies and/or non-profits on their governance boards. However, only three of the six Jobs Initiative sites (Milwaukee, New Orleans, and Seattle) had actual Impact Community residents—as opposed to representatives of community organizations—on their boards. Among these three sites, community representatives exercised the most influence in the New Orleans Jobs Initiative (NOJI) site, where the agenda for NOJI throughout the planning process were largely determined by the grassroots leaders on the steering committee.

As noted above, Milwaukee was also a site that had community residents on its governance board, and key informants felt that this representation was the first step in a continuing process to build strong connections with the grassroots community and residents of the Impact Community. Although the Milwaukee Jobs Initiative had hoped to establish strong connections with the Impact Community early in the planning process, and planned several community-wide meetings designed to gather input from residents, the MJI program planners found that accessing the voice of community residents was an on-going challenge that was never fully resolved during the Planning Phase.

The Seattle Jobs Initiative site also included community representatives on its Executive Committee. However, several local respondents indicated that the inclusion of more residents on this governance board might have enriched the planning process.[35] Two rationales were offered in support of expanded resident participation on the governance board. One rationale was that additional residents would have contributed a more complete perspective on the issues confronting the Impact Community population, particularly since the Seattle target area is so ethnically and racially diverse. Another reason was that adding additional resident voices to the two already on the 16-person board would have strengthened the voice of the Impact Community, especially when the community residents were trying to compete for influence with the major institutions and prominent regional leaders also represented on the committee.

In fact, the experience in Seattle and Milwaukee seems to reflect a number of the explanations cited and issues raised by the other Jobs Initiative sites regarding the lack of community residents on their governance boards. First, how does one find "typical" residents, who can truly speak for the Impact Community as a whole, as opposed to representing solely their own personal interests or those of a small group? In addition, if a site was fortunate enough to find such "typical" residents, how could it ensure that the individuals would not be intimidated by the other, more prominent members of the

35 Although resident participation on the governance board was limited, it is important to acknowledge that the Seattle Jobs Initiative site made extensive efforts to solicit the input of residents through its workgroups, focus groups, community survey, and community hearing. Other Jobs Initiative sites used similar mechanisms to broaden community participation (see discussion in text below).

governance board (who also would be far more used to public speaking and functioning in group meeting formats)?[36]

The problem of finding community residents who could serve as legitimate representatives of the Impact Community was particularly difficult for development intermediaries who did not have pre-existing relationships with the target area. These intermediaries were therefore dependent on the designated neighborhood organizations to produce residents to participate in the process. As will be discussed in more detail below, a number of the designated neighborhood organizations were not able to fulfill these outreach responsibilities to the intermediary's satisfaction, because the organizations' networks in the target area—and particularly to disadvantaged job seekers—were not as extensive as originally hoped.

Finally, there is the question of the logistical difficulties encountered by community residents in attending the meetings of the governance boards. For the most part, these meetings were held during the day, which made them convenient for the development intermediary staff and other individuals who were being paid in one way or another to represent the interests of their sponsoring organizations (e.g., public agencies, community organizations or providers, universities, etc.) on the governance boards. However, for private residents who were employed in daytime jobs, attendance at these meetings meant obtaining time off from work, usually without pay.[37] For residents who were unemployed (in other words, the job seekers that the Jobs Initiative was being designed to assist), attendance at meetings could be seen as competing with their job search activities; moreover, if these individuals secured employment, as new employees it would be particularly difficult to get time off from work to maintain participation on the governance board. Access to transportation was also an issue for some community representatives.

In several Jobs Initiative sites, including Denver and New Orleans, the issue of paying residents to participate on the governance boards was raised. The Denver governance board was divided over this issue, and consequently did not authorize such payments for its board members. In New Orleans, although some governance board members had initial

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36 The New Orleans site addressed this concern in two ways: first they limited expansion of the steering committee membership to prevent inclusion of individuals who did not embrace a commitment to community empowerment and self-determination, and second, between the scheduled steering committee meetings the planning consultant used informal meetings with the community representatives to brief the residents on upcoming issues. These informal meetings permitted the community representatives to develop a fuller understanding of the issues, and an opportunity to develop a more unified community voice on the subject prior to the steering committee meeting.

37 In New Orleans, for example, a representative of one of the three neighborhood organizations with seats on the steering committee stopped attending meetings after the first session because of the difficulty in getting time off from her job with the local utility company.

reservations about the practice, the NOII board ultimately authorized stipends for the representatives from the Citywide Tenants Council.

The Jobs Initiative sites used a variety of approaches to engender resident participation in the Planning Phase. In addition to seeking input from any residents sitting on the formal planning or governance bodies, most of the sites held focus groups with, and/or conducted surveys of, numerous Impact Community residents as part of their planning processes. These activities represented alternative mechanisms through which residents could have input and play a meaningful role in the Initiative planning process. These focus groups and surveys, for example, were very helpful to the sites in the process of assessing the general job readiness of residents and in identifying some of the key barriers that would need to be addressed.

Impact Community Resident Participation in Planning: An Example from Denver

Even when community residents were not represented on the Jobs Initiative governance boards, they were often regular participants in the sites' on-going task forces or working groups. In some cases, they were paid for this participation. For example, even though the Denver Workforce Initiative did not have any Impact Community residents on its steering committee (other than for individuals representing community organizations), several residents who were Certified Nursing Assistants (CNAs) were active participants in that site's Health Care Task Force. The DWI Steering Committee also allocated funds to pay these individuals to attend the sessions (in contrast to its reluctance to pay governance board members).

Related to the issue of resident participation was the question regarding the extent to which community-based organizations (CBOs) or groups could be viewed as speaking for the Impact Community and its residents. Several sites had very good experiences working with some CBOs, religious congregations and faith-based community organizing groups, for example. On the other hand, a number of sites had difficulties with CBOs that claimed to be representing the community, but represented only certain segments of the community or appeared to be primarily focused on their own organizational self-interest. In addition, even when the representatives of community organizations were seen as honestly trying to reflect the needs and wishes of the community, some local respondents argued that such surrogate input could never take the place of the direct involvement of residents.

Other Sectors or Groups with Limited Representation on Governance Boards

There were several additional groups that had less of a presence on the governance boards than might have been expected. For one thing, *persons of color* were somewhat less well represented on the governance boards at some of the sites during the Planning Phase than one might have anticipated. At only two sites—Milwaukee and New Orleans—did people of color comprise a majority of the positions on the governance board. In part, this may be a reflection of the limited resident participation on the boards at the other Jobs Initiative sites.

However, it is also important to acknowledge that all the sites had some representation of persons of color on their board or steering committee during the Planning Phase, and some sites (like Denver) had a significant number of seats held by minorities, though not the majority. Also, in addition to representation on the governance boards, persons of color were very active in the task forces/working groups at each of the Jobs Initiative sites. Moreover, in Seattle and Philadelphia, elected officials who were minorities served as the chief champions of the Jobs Initiative in those sites.

Another group that had only limited representation on the governance boards across sites was *organized labor*. Only three Jobs Initiative sites (Milwaukee, Seattle, and St. Louis) had union representatives on their governance boards. Denver also had invited a member of the Denver Area Labor Federation to join DWI's Steering Committee, but following an initial introduction to the committee, this individual failed to attend any subsequent meetings.[38]

Several sites also had difficulties in getting representatives of *regional and state agencies or organizations* to become part of their governance structures. In contrast, however, the St. Louis site had eight state agencies and eleven county or regional public and private agencies as part of the "Planning Network" that served as the St. Louis Initiative's governance structure.

Role of Previous Relationships in Determining Composition of Governance Boards

It appears that the composition of the governance boards at many of the six Initiative sites was (at least until the latter stages of the Planning Phase) in many respects a reflection of the nature of the development intermediary's networks and relationships prior to the Jobs

38 It is important to note that during this period this individual was running an intense "living wage" campaign that demanded much of his time, and that DWI has maintained a continuing informal relationship with him. The limited formal role of organized labor during the DWI Planning Phase is also a reflection of the continuing weakness of the labor movement in Denver, and particularly its absence in the industries that DWI was targeting at the time.

Initiative. When these organizations were selected as development intermediaries and had among their first tasks the responsibility to reach out to the local civic infrastructure to establish an initial governance structure, these entities naturally looked first to the institutions with which they had pre-existing relationships. In fact, the organizations were selected as development intermediaries in large part *because* they had these existing networks.

However, it also had the result that the likelihood of participation by different groups in the Planning Phase governance structures was determined by the extent to which the development intermediary had (or did not have) previous ties with a given sector. While some new partnerships were forged during the application period and early planning process, for the most part organizations were selected because of their pre-existing relationships and/or the development intermediary's familiarity with that sector. For example, the St. Louis development intermediary is a regional council of governments. It is not surprising, therefore, that the majority of the entities on the governance board for St. Louis during the Planning Phase were governmental bodies. In Philadelphia, a regional reinvestment fund functioned as the development intermediary, and the membership of this site's governance structure was dominated by civic organizations, development agencies, and funding institutions. In Seattle, the Office of Economic Development served as the development intermediary for that site; while the members of its governance board came from a variety of sectors and included representation from the state and county,[39] the board largely reflected Seattle-focused interests.

Development Intermediary's Connection to the Impact Community and Other Sectors: An Example from New Orleans

In New Orleans, although the development intermediary was a civic association, it had been selected for this role by the site's neighborhood organizations (in a reversal of the typical process followed at the sites during the application process). Representatives of these neighborhood organizations not only held half of the voting seats on the NOJI steering committee, but also had a major role in defining the other sectors that would be invited to become partners in the Initiative. These community residents did not have extensive networks to other sectors such as the business community or organized labor, and generally felt distrustful and reluctant to reach out to these other groups. However, the community residents were not the only members of the NOJI governance board who held back on relationships with the business sector. According to local observers, the development intermediary leadership also demonstrated a reluctance, based on historical relationships, to open the governing board up to the larger business community. As a result, the membership of the steering committee did not extend much beyond representatives of the community organizations and of the development intermediary.

39 For example, the state Workforce Training and Education Coordinating Board and the Metropolitan King County Council each had a representative on SJI's 16-member Executive Board.

Despite these early patterns in governance board membership, as the regional Initiatives evolved during the Planning Phase—and particularly as they began specifying particular prototypes and projects—they appeared to become more open to adding new members to the governance structure (and sometimes, as will be discussed below, to deleting original partners). Accordingly, over the course of the Jobs Initiative, it will be important to track changes in the composition of the governance boards, and in the extent to which the various sectors or regional interests influence the direction of the Initiative through these governance structures.

Decision-Making Processes

The general governance structure used across the six sites included an executive board or steering committee that had policy-making authority for the Initiative, as well as a number of working groups or task forces that functioned in an advisory capacity to the executive board/steering committee. From site to site, the size of the executive group varied from nine to more than thirty members. In addition to these executive board members, the task forces provided vehicles for the Jobs Initiative sites to involve a much wider group of individuals and interests in the planning process.

Each Jobs Initiative site also had staff and consultants[40] to carry out tasks in support of the planning process between meetings. The activities conducted by these staff and consultants included outreach, data collection and analysis, preparation of written materials and the drafts of the key planning deliverables, and management of the logistics of meetings.

There appeared to be a general pattern across sites in the relative level of involvement of the sites' executive board/steering committees, tasks forces, and staff in the decision-making processes at various stages in the Planning Phase. During the first few months of the Planning Phase, activities tended to be concentrated at the executive board/steering committee level, as the members of the new governance structures received an orientation to the Jobs Initiative and Outcome Funding framework, established an initial set of assumptions that would guide the Initiative, and developed a work plan for completing the outreach and analysis that would inform the development of the Strategic Investment Plan. At all sites, the work plans that were developed called for the creation of various subcommittees, working groups, and/or task forces to investigate particular aspects of the Impact Community, regional economy, labor market, human service infrastructure, and/or

40 Generally, the staff were employees of the development intermediary who were assigned to the Initiative. In some cases, such as in New Orleans and Denver, the development intermediary hired consultants on a long-term basis who essentially functioned as staff, either in lieu of regular staff or to supplement the assigned staff. In general, most Jobs Initiative sites had the equivalent of 2-4 full-time staff working on the Jobs Initiative during the Planning Phase.

workforce development system. Working groups were also created to examine promising techniques or approaches to workforce development, such as the cognitive skills task force established at the Denver site.

With the establishment of these working groups, the planning process moved into a new stage, with a much broader set of activities. The site's staff, who heretofore were able to focus their attention on the executive board/steering committee, were now required to devote substantial portions of their time to organizing these working groups and supporting the groups' outreach and data-gathering activities. Because of the demands associated with these additional duties, some sites (such as Denver, Seattle and Philadelphia) elected to hire consultants or contractors to supplement the core Initiative staff.

Through these working groups and their outreach activities, many more individuals in the target area and throughout the broader community learned about the Jobs Initiative and had an opportunity to participate in the planning process. As a result, each site had the benefit of a broader range of perspectives on the problems and opportunities to be addressed by the Initiative. Moreover, although the function of these working groups was advisory in nature, it appears that the executive boards/steering committees generally looked to these groups to define the key barriers experienced by the Initiative's "customers" (i.e., job seekers and employers). The governance boards also seemed to give very serious consideration to the working groups' recommendations regarding strategy or potential jobs projects. In particular, much of the substance of the Local Investor's Outcome Outlines (LIOOs) submitted by the sites[41] appears to be derived directly from the efforts of the working groups.

Following the submission of the LIOOs or the completion of the task forces' specific assignments, however, at a number of the Jobs Initiative sites there was a retrenchment in the planning process that tended to pare down the number of individuals actively involved in the planning activities. In some cases, the planning responsibilities reverted to the full executive board/steering committee; at other sites, a small group of individuals and/or staff was designated by the executive board/steering committee to develop the specific plans and project proposals. This shift in focus from the working groups to a smaller group of participants appears to have been motivated in large part by concerns about the impeding deadline for the SIP, and the attendant need to create a more efficient process for reaching closure on issues.

This approach, however necessary, also meant that in those sites the staff and a small number of individuals often had tremendous influence in framing the specific proposals that the governance boards would consider, and in crafting the SIP. On the one hand, the staff and the selected individuals probably were in the best position to perform this distillation role, because they had served on (or as liaisons to) the task forces, and therefore were familiar

41 These documents were due at AECF in August 1996.

with the range of issues and options that the task forces had considered, and had a good grasp of the "big picture."[42] On the other hand, the delegation of these key planning tasks to a few individuals and the pressure to meet the SIP deadline meant that in some instances the members of the governance board had comparatively little time to review the final SIP document, and authorized its submission to AECF based on agreement on the general principles, without necessarily fully understanding the details contained in the SIP or their implications. Therefore, while there was clearly "buy-in" on the general principles in those sites that had an expedited SIP approval process, it remains to be seen how the various members of the governance boards in these sites will react as the details of the SIP come to light during the Capacity-Building Phase.

Another common feature of the decision-making processes at the six sites was that most decisions were made on a *consensus basis*, rather than by formal, majority vote. While there were some exceptions across the six sites, such as when Denver's Health Care Task Force was selecting prototype locations, for the most part the governance structures at the sites tried to ensure that there was consensus on an issue before adopting it as a feature of their SIP. One benefit of this approach was that it tended to make the planning process less confrontational, and therefore may have reduced conflict among the various stakeholders, and kept more groups at the table.[43] To many sites, the consensus approach was also seen as a reflection of the Jobs Initiative principle of engaging a civic infrastructure representing multiple stakeholders and perspectives, but whose members are committed to finding a common ground for the greater good.

The downside of this approach, however, is that it made it more difficult for the sites to come to grips with hard issues—such as racial discrimination, class differences, definitions of "good jobs" and "livable wages," expansion of membership on the governance boards, and payment of community residents for participation. When a controversial issue was raised, if a resolution could not be easily mediated to the satisfaction of those present, the tendency of the sites was to "table" the issue. And by sidestepping these issues, the sites did not necessarily avoid all conflict and dissatisfaction. In fact, some of the individuals who dropped off the governance boards at the six sites during the Planning Phase did so because the issues for which they were advocating were being tabled indefinitely.

42 Frequently these staff and individuals also had been part of smaller discussions held with AECF representatives, elected officials, community leaders, providers, and employers between the formal meetings of the Initiative.

43 This approach also made sense from another standpoint: the numerical membership of the governance bodies was in a state of flux, and it would have been difficult to determine what constituted a quorum at any point in time.

Not all of these departures were unwelcome, however. Several of the sites had to ward off pressure, both from governance board members and outsiders, pushing the Initiative to support the status quo, in terms of existing programs and organizations. Some members of the governance boards were participating in the Initiative primarily out of a sense of organizational self-interest, looking to get "a piece of the pie" from the AECF grant as their other (often federal) sources of funding began drying up. After several unsuccessful attempts to obtain funding for their organizations or pet projects, some of these individuals elected to drop out of the Initiative planning process.

Modifications to the Governance Structures over Time. Another pattern which emerges from the six sites is the evolution of the governance structure as the local effort moved from the application period to the planning stage to the capacity-building phase. Each of the applicant sites consulted a broad range of organizations in the course of preparing their proposals to AECF, and most sites established applicant teams to make the key decisions regarding the application.[44] Because of the very short timeframe (eight weeks) and the very focused nature of the task, a relatively small group of individuals generally served as the key team members in terms of application preparation. For example, in Seattle, a 20-member Leadership Committee served as the policy and decision-making body during the application period, but a 12-person Organizing Committee was responsible for much of the work in preparing the actual application.

Table 1
Composition of the Governance Structure

Site	Application Steering Committee Membership	Planning Phase Steering/ Executive Committee Membership	Task Forces/ Strategy Teams?	Advisory Panels?	Changed Governance Structure after Planning Phase?
Denver	15	26	yes	no	no
Milwaukee	17	12	yes	yes	no
New Orleans	N/A	14	yes	yes	yes
Philadelphia	23	9	yes	no	yes
Seattle	20	15	yes	no	no
St. Louis	20	33	yes	no	yes

44 New Orleans was an exception to this rule. Although the Greater New Orleans Foundation, in its role of convener, engaged over 100 individuals in informal discussions about the Initiative, it did not form an application team or working group.

Once the Jobs Initiative planning grant was received, most of the sites looked to reorganize their governance structure. In the process, some sites expanded the number of seats on the governance board, as well as the range of entities represented. For example, excluding the development intermediary and its staff, the Denver site had assembled 15 people from 13 organizations to become a "civic infrastructure" for the application process; during the Planning Phase, this governance group grew to 26 individuals from 21 organizations. St. Louis had 20 institutions represented on its application team, including 7 governmental agencies; during the Planning Phase, its governance board (termed "the Planning Network") grew to 33 institutional members, of which 19 were governmental agencies.

Milwaukee varies from the pattern of expansion of the governance board during the Planning Phase. The Application Steering Committee in Milwaukee consisted of 17 persons. However, when Milwaukee organized the Planning Phase Steering Committee, a 12-member body was established, only two members of which had served on the application team.[45] As mentioned above, over the course of the Planning Phase, each site also organized several advisory committees, ad hoc committees, task forces and/or working groups to solicit additional input and to provide opportunities for more individuals to become engaged in the Initiative planning process. Milwaukee was no exception in this regard, and in addition to forming six task forces, created a very influential Resource Advisory Team made up of eighteen community and business representatives, many of whom were part of the original Application Steering Committee. While members of the Resource Advisory Team did not have formal voting powers, they played a key role in making policy decisions: all MJI steering committee/board decisions required consensus and approval from the Resource Team. In addition to the Resource Advisory Team, MJI established a Human Resources Advisory Council made up of human resource directors from leading firms in the region that was able to provide input into the design of MJI strategies and projects.

Like Milwaukee, Seattle and Philadelphia actually reduced the number of seats on their governance boards when the Planning Phase got underway. Seattle reduced the membership of its governance board from the 20-member Leadership Committee during the application period, to a 15-member Executive Committee for the Planning Phase. However, Seattle established three subcommittees that, like Milwaukee's task forces/advisory teams, significantly expanded the numbers of institutions participating in the overall governance structure. Similarly, Philadelphia went from 23 organizations on its application team to a nine-member Steering Committee, but increased participation overall through the Strategy Teams that were developed.

45 This 12-member Steering Committee became the Board of Directors for the Milwaukee Jobs Initiative when it was incorporated as a 501(c)3 organization later in the Planning Phase.

At the end of the Planning Phase, half of the sites were proposing additional restructuring of their governance structures. In one case, New Orleans, the intent was to create a new organizational "home" for the Initiative, separate from the development intermediary. Throughout the Planning Phase, the community representatives on the steering committee of the New Orleans Jobs Initiative had voiced concerns about the independence of the Initiative vis-a-vis the development intermediary's board of directors. Although the authority of the steering committee to set policy for NOJI was never challenged by the development intermediary's board, the community representatives eventually prevailed in convincing the other members of the steering committee of the necessity of creating an independent non-profit for the Initiative, to enable NOJI to be more accountable to the community in its structure and functions.

At the other sites that were considering restructuring, however, a central issue appeared to be the recognition that the large governance groups assembled for the Planning Phase—while indispensable to the planning process—would likely be unwieldy as a governance mechanism for the implementation and management processes of the Capacity-Building Phase. In response, the sites attempted to design governance bodies which would be more streamlined and/or flexible. In addition to being smaller, though, in some cases the nature of the representation also changed considerably. For example, the St. Louis site elected to create a "Regional Jobs Policy Investors Group" to serve as its principal governance board for the Capacity-Building Phase. Whereas St. Louis's Planning Network during the Planning Phase had included more than 30 institutions (many of whom were governmental agencies), the Investors Group consists of about half that number, and is composed of representatives of the businesses and agencies that have actually "invested funds, provided jobs, or otherwise taken significant risk to advance the projects and prototypes."[46]

Philadelphia elected to keep its steering committee intact, but is replacing its three large Strategy Teams with focus groups, which will be used more informally.

Denver has also chosen to maintain the current composition of its steering committee. Interestingly, Denver is also considering the establishment of a national advisory board in order to draw on expertise beyond the Denver region.

Milwaukee is not proposing to change its governance structure, as it had established a new non-profit to house the Initiative in the middle of the Planning Phase. At the time of its SIP submission, Seattle also was not proposing any immediate changes in its governance structure. Nonetheless, with an anticipated change in the city administration due to the decision of the incumbent mayor (who has been a champion for the Initiative) not to seek re-election, the Seattle Jobs Initiative was beginning to consider whether to find an institutional setting for the Initiative outside of city government.

46 St. Louis SIP, p. 5-2.

As the functions to be performed change over the course of the Jobs Initiative, it is natural—indeed, it may be essential—for the governance structures of the Initiative sites to evolve to best meet the current demands being placed on them. However, for those sites that are attempting to streamline their governance structures to promote more efficient management of day-to-day Initiative activities, attention will still need to be devoted to maintaining connections with the larger group of institutions that were involved in the planning process.

The Use of the Outcome Funding Framework

As mentioned at the beginning of this report, AECF's research on community economic development had suggested that while it was not possible to find tested models of workforce development intermediaries, certain features appeared to be important attributes of successful programs.[47] Accordingly, the Foundation wanted a mechanism to convey the importance of these features—including clearly defined customers, an entrepreneurial orientation, the creation of partnerships and leveraging, and a focus on results and return on investment—to the Initiative sites. AECF felt that the Outcome Funding framework could serve this purpose, and by following the Outcome Funding exercises, the sites would be encouraged to model their behavior on that of investors.

For the Foundation, the Outcome Funding approach provided a number of benefits. It offered a common planning process for the Jobs Initiative sites to follow, with a modular structure that allowed AECF to assess each site's progress at several interim stages in the process. For these periodic reviews, it also gave AECF a framework for assessing each site's activities, plans and accomplishments, and for formulating a response, in terms of the Foundation's role as national investor. The common schedule and planning exercises followed by the sites also provided a structure around which AECF could design cross-site technical assistance.

For the individual Jobs Initiative sites, the Outcome Funding approach presented a systematic process for the development of their strategic plans. Although it embodied many elements common to a variety of strategic planning techniques, its investment orientation and terminology represented an innovative approach to intervention design for many of the Jobs Initiative sites. These features had both positive and negative implications for the sites. On the one hand, the sites had to learn a new planning nomenclature, at the same time that many of them were struggling to familiarize themselves with new substantive areas (such as workforce development methods) or acquire skills (analysis of labor markets, community mapping, etc.) for the first time. On the other hand, the innovative investment framework

47 Gewirtz and Giloth, *Lessons Learned*, op. cit., p. 8

was useful to the sites in challenging and breaking away from the status quo orientations held by many of the regional institutions.

Related to this, the Outcome Funding framework also proved useful to the sites in defining the character of the regional Initiative and a governance structure to oversee it. The framework was instrumental in helping sites to understand their roles as intermediaries who could facilitate changes on multiple levels and through varied methods, rather than merely thinking along the traditional lines of creating and managing discrete programs. For some sites, the investment framework was helpful in demonstrating to potential business partners that the Initiative was different from other local workforce development efforts, which often were viewed very skeptically by employers. The framework's emphasis on results also assisted in engendering a sense of accountability and pragmatism throughout the Initiative planning process, and laid the groundwork for the milestone definition and self-assessment activities that will be addressed in earnest in the Capacity-Building Phase.

In saying all this, it also needs to be pointed out that the extent to which the Outcome Funding method was embraced varied considerably across the sites. The adoption of Outcome Funding by a site appeared to be dependent largely on the development intermediary's response to the methodology. Some development intermediaries immediately started using the Outcome Funding nomenclature and constructs in all their Initiative meetings and communications, and even began to apply the framework to activities outside the Initiative. For example, the city agency that serves as the Seattle Jobs Initiative's development intermediary used an Outcome Funding approach to structure an RFP for performance-based workforce linkage services in connection with the city's Enterprise Community effort. Some other sites, however, viewed Outcome Funding as needlessly complicated and constraining, either because the participants were already familiar with strategic planning techniques and therefore found Outcome Funding largely self-evident, or because some participants found the nomenclature too abstract and consequently off putting. In these sites, the Outcome Funding terminology was much less frequently used in the day-to-day discussions and deliberations, although the development intermediary staff for the site would translate the findings and decisions of the governance bodies into an Outcome Funding format for the required Planning Phase deliverables.

One way to judge the value of Outcome Funding to the Jobs Initiative is through the quality of the Strategic Investment Plans (SIPs) that were produced. Again, the record is somewhat mixed. The successive Outcome Funding exercises (involving the preparation of the Preliminary Investor's Outline, the Local Investor's Outcome Outline, and the Strategic Investment Plan) were intended to lead the sites through the specification of customers, problems and opportunities, strategies, projects, and milestones for measuring progress toward attainment of desired outcomes, with each element building on, and being logically connected to, the previous elements. The SIPs represented the culmination of this process,

and were supposed to present the complete logic chain for the prototypes and projects being proposed by each site.

Although every site completed the succession of planning exercises, in some of the SIPs that were produced the logic chain between elements is very incomplete. For example, some of the documents jump from identification of customers or problems to specification of recommended projects, without the articulation of any underlying strategy that was guiding these decisions. Other sites confused strategies with projects in their planning documents.

Moreover, none of the sites fully delineated their project and prototype milestones. The SIP guidelines for the project and prototype plans had called for the sites to provide estimates and rationales for their job placement and retention targets over the subsequent three years. While all sites provided estimates for job placements, most of the SIPs contained little support for the figures presented, and none of the sites specified target retention levels. These deficiencies may be attributable (in part) to the tight schedule under which the sites were operating, since milestone development was one of the last tasks to be completed in preparing the SIPs.[48]

In our view, a fundamental purpose of the Outcome Funding exercises was for each site to develop a rational, compelling argument for its investment decisions, such as a prospective lender would do in a business plan being submitted to a bank or a loan committee would do in reviewing requests for financing. However, in building their rationales for their proposed investments, some of the sites clearly had difficulties in describing the logical connections from specification of customers to problem statement to selection of strategies to recommended projects. While each site presented definitions of these key elements of their strategic plans, and many explained their project and prototype designs in detail, few managed to develop a coherent, rational argument for the site's investment decisions, or demonstrate that these decisions were based on careful analysis of the target population, the regional economic climate, and the programmatic alternatives which had been considered. Indeed, it appears that in some sites the selection of projects occurred largely as a result of expediency or opportunities that suddenly presented themselves than because of a thoughtful process of identifying the most promising approaches for addressing the problems of the specified customer groups. Clearly each Jobs Initiative site needs to maintain the capacity to respond to opportunities as they become available. Indeed, this capacity is a critical feature of the entrepreneurial orientation that AECF wants the Jobs Initiative sites to reflect. On the other hand, one might argue that unless the site has a unifying strategic framework

48 In at least one site (Milwaukee), however, it was clear that the specification of placement targets, and the attrition that would occur along the pathway of outreach to placement (the "funnel"), were a source of some debate among Initiative partners.

to guide its actions, it will be very difficult for that site to set a steady course over the life of the Initiative.[49]

Nature and Quality of Analysis

As part of the process of developing their Strategic Investment Plans, the Jobs Initiative sites were expected to engage in a number of data collection and analysis tasks. Specifically, each site was expected to analyze:

- ***Characteristics of job seekers***: To determine the job readiness of these individuals, the barriers that they faced, the network of supports that they used, the additional training and services that they required, and the nature of the work that they were seeking;

- ***Impact Community conditions and assets***: To identify any special barriers that job seekers from the Impact Community might face, the resources currently available in the Impact Community to assist job seekers and their families (such as the human services infrastructure), and potential assets that might be further developed to support these residents (i.e., informal networks);

- ***The regional labor market***: To determine promising industries and occupations that the Jobs Initiative might target, to reveal existing patterns of recruitment and advancement within these sectors, and to identify potential points of leverage for gaining entry into these industries/occupations; and

- ***The nature of the workforce development system***: To assess the strengths and weaknesses of the existing training and workforce development programs in order to identify potential components and/or partners that might be incorporated in the Initiative's efforts, as well as gaps in the system that the Jobs Initiative would need to address.

AECF provided technical assistance to the sites to increase their capacity to conduct these analyses. Instruction on data collection and analysis techniques was provided both on a group basis at cross-site conferences and through technical assistance visits to individual sites. In addition, most sites secured their own consultants (New Orleans, Philadelphia) or local partners (Seattle, Milwaukee) to assist with these collection and analysis tasks on an on-going basis.

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49 The technical assistance providers from the Rensselaerville Institute expect to work with the sites intensively during the first months of the Capacity-Building Phase to further specify project and prototype milestones. This would also be a good opportunity to address the incomplete specification of strategies, as well.

The thoroughness and quality of the analyses performed varied considerably from site to site because most sites were challenged by the limited resources available for the analysis, the time constraints under which the analysis was to be conducted, and/or the reliance upon consultants who were not always able to collect data from a representative sample of respondents. For identifying the characteristics of jobs seekers, the most common data collection methods employed were focus groups and surveys of Impact Community residents, which yielded useful anecdotal information and insights into current job search methods, barriers faced, informal support mechanisms, and resident aspirations. Key informants in most sites recognized the limitations of their research activities, yet they were able to use the results of their Planning Phase inquiries to gain insights about appropriate strategies to pursue, refine their decisions about key customer groups, and raise issues that required further consideration as project and prototype plans were finalized.

Participation of Residents in Data Collection

In addition to providing useful information for the Planning Phase activities, the research conducted by sites enabled some to foster meaningful participation by local stakeholders. For example, the New Orleans Jobs Initiative used its survey as a vehicle for empowerment and skills-enhancement for the targeted residents. All three NOJI neighborhood organizations recruited interviewers from among their constituents. NOJI used a consulting firm to design the survey, train interviewers, coordinate the surveys administration, and analyze the results. The consulting firm held a two-day training workshop for the interviewers, covering all aspects of the survey process. Although the consulting firm felt that the survey had proceeded reasonably well overall, it found that some interviewers (particularly those that had not attended the entire two-day training) tended to routinely omit questions or entire sections of the survey instrument. In addition, the survey sample had been constructed around randomly selected buildings in the public housing developments, but the consulting firm found that interviewers did not survey the pre-selected buildings as systematically as had been desired.[50] Despite these concerns about the reliability of the results, key informants in New Orleans took lessons from the research activity that allowed them to better understand the needs of their targeted customers.[51]

50 However, New Orleans was not alone among the Jobs Initiative sites in experiencing difficulties with structuring surveys to achieve statistically reliable results. In fact, the majority of sites that conducted resident or employer surveys as part of their Planning Phase analysis activities experienced problems in achieving representative survey samples for the populations of interest.

51 Metro Consulting and Research Firm, Inc., *Community Employment Profile for the New Orleans AECF Jobs Initiative*, June 24, 1996, p. 4.

Despite the considerable effort devoted to analysis of job seeker characteristics, beyond some generalities regarding job readiness, none of the Jobs Initiative sites developed a definitive categorization of the continuum of job seekers that could be used in targeting the Initiative's long-term efforts. However, given that the AECF guidelines had encouraged sites to concentrate their initial efforts on the more job-ready,[52] the sites may not have felt it critical to develop a comprehensive typology of the range of problems faced by different subgroups of job seekers during the Planning Phase.

The data collection on community assets and the workforce development systems performed by the sites provided useful overviews, but tended to offer listings of agencies and resources rather than strategic analyses of the existing systems for potential leverage points or systems reform targets.[53] Although not particularly evaluative, nonetheless these data appeared to be useful to the sites in their efforts to familiarize the Initiative stakeholders with the features of the Impact Community and/or the workforce development system, building a common basis of understanding from which the planning process could progress.

For all the sites, the analysis of labor markets revealed (or confirmed) industry sectors and/or occupational categories presenting potential targets of opportunity for the regional Initiative. Once these sectors were identified, the sites engaged in discussions, either one-on-one, in focus groups, or in industry-specific work groups, with employers from these industries. These conversations yielded some of the most valuable insights derived from the sites' research activities, particularly regarding potential alternate points of entry into family-sustaining employment (such as temporary employment) and about opportunities for fostering the development of career ladders within specific industries.

While the Jobs Initiative sites identified sectoral niches or potential employment pathways that they were able to translate into the features of proposed projects or prototypes, they did not seem to be able to complete a systematic assessment of the labor market system that would provide an overall strategic framework for a systems reform agenda. As the sites implement their projects and prototypes during the Capacity-Building Phase, some systems reform issues will naturally emerge from the process, but there is no guarantee that such a haphazard approach will necessarily reveal the most crucial reforms that need to be addressed.

In assessing the sites' overall experience with data collection and analysis during the Planning Phase, it is perhaps worthwhile to note the differences in the sites' research and

52 Annie E. Casey Foundation, *AECF National Investor's Outcome Outline*, 1995, p. 6.

53 It should be noted, however, that the sites generally identified very early in the planning process (through discussions with employers) that a deficiency of many existing workforce programs was that the latter were not particularly employer-responsive. As will be discussed later in the report, this insight became a key factor in the strategy adopted by several of the sites.

analysis capabilities at the very beginning of the Initiative. Half of the sites (Denver, Milwaukee, and Seattle) had either in-house research and analysis resources, or a close partnership with a research center, reflecting expertise on workforce and poverty issues. For example, Denver's development intermediary, the Piton Foundation, boasts a research staff that had recently produced an extensive report on poverty in the city, and maintains an extensive database on neighborhood-level characteristics; the Piton Foundation had also completed research on the health care industry in connection with its HealthWorks demonstration, which places residents of low-income neighborhoods in entry-level and semi-skilled jobs. As a result, Denver's development intermediary had completed much of the basic data collection and analysis tasks necessary for the Initiative's strategic planning process before the Planning Phase had formally begun.

Similarly, in Milwaukee, the Campaign for a Sustainable Milwaukee (the original development intermediary for that site) had an existing relationship with the Center of Wisconsin Strategy (COWS), a policy research center based at the University of Wisconsin-Madison that focuses on training, industrial modernization, and urban development. CSM and COWS had been working together since 1993 to develop and implement a comprehensive plan for high-wage development of the metropolitan economy. And in Seattle, the Office of Economic Development (the development intermediary) had established a partnership with the University of Washington's Northwest Policy Center, which supplemented the intermediary's own expertise in economic development and employment programs with the Center's labor force statistics and analysis capabilities. Thus, these three sites either had completed directly relevant studies prior to the Jobs Initiative, or had staff or partners skilled in the specific data analysis tasks that would be required for the Planning Phase.

The other three sites, to a much greater extent, were required to build up their data collection and analysis capabilities over the course of the Planning Phase. For example, while East-West Gateway Coordinating Council, the development intermediary in St. Louis, had a strong track record in completing transportation studies and plans, the field of workforce development was a largely new area of focus for the organization.[54] In Philadelphia, the development intermediary was a regional reinvestment fund,[55] and had some prior experience investing in economic development projects throughout greater Philadelphia; moreover, its technical assistance subsidiary (the Community Development Institute) brought expertise in

54 In recognition of its limited experience, East-West Gateway Coordinating Council proposed a partnership with the Economic Council of St. Louis County; however, the tasks defined for the Economic Council focused on outreach, fundraising, and monitoring of new technologies, rather than basic research and analysis. See St. Louis Regional Jobs Initiative, *A Collaborative Proposal Submitted to the Annie E. Casey Foundation*, May 1995, p. 19.

55 Delaware Valley Community Reinvestment Fund (DVCRF).

organizational development and strategic planning consulting. However, like St. Louis, the Philadelphia development intermediary was new to the workforce development arena, and was just developing its capacities to analyze regional trends and build a knowledge base regarding employment and training.[56] The development intermediary attempted to overcome these shortcoming by using consultants and working closely with other regional groups with more experience in these areas.[57] Similarly, the New Orleans development intermediary (Metropolitan Area Committee), whose previous initiative experiences were focused largely on education, attempted to fill the gaps in its economic development/workforce development research and analysis capabilities through the use of consultants.

Reviewing the research that was meant to provide the foundations for the sites' strategic plans, for the most part the sites that had to develop their research and analysis capacity during the Planning Phase had considerably less complete or systematic analyses to guide their decision-making. Moreover, at the end of the Planning Phase, it is not clear that those sites had yet been able to establish an in-house capacity to carry out these research and analysis tasks on an on-going basis, despite the expected continuing importance of such tasks over the course of the Jobs Initiative.

The Role of Neighborhood Organizations

In its overall design for the Jobs Initiative, AECF had envisioned that each Initiative site would designate one or more "neighborhood organizations" which would provide a vehicle for performing outreach to, and developing connections with, the Impact Community. Accordingly, in their applicants for the Jobs Initiative planning grants, all six sites had identified local organizations to serve that function in their regional effort. In some cases, these entities were located in and/or concentrated their activities on a portion of the Impact Community; in other instances they were organizations with a city-wide or metropolitan-wide focus.

Across the sites, the experience in the use of neighborhood organizations during the Planning Phase was challenging, and in some cases it was often disappointing. For example, the Denver development intermediary had contracted with three neighborhood organizations to provide outreach to various sections of the Impact Community, in order to recruit community residents to be directly involved in the planning process at that site. At the meeting that was scheduled to bring these community residents together, however, only one of the three neighborhood organizations was able to bring substantial numbers of residents; the other two

56 Delaware Valley Community Reinvestment Fund, *Philadelphia Jobs Initiative: Application for a Planning Grant*, May 30, 1995, pp. 16, 18-19.

57 Particularly Greater Philadelphia First and the Pew Charitable Trusts.

organizations produced only a handful of individuals apiece, and many of these were reportedly representatives of other community organizations.

This experience led the Denver development intermediary to reconsider the role of the neighborhood organizations in the Jobs Initiative, and to seek alternate methods for recruiting participants from the Impact Community. The development intermediary established a network of "community coaches" as an alternative mechanism for recruiting and providing support to job seekers (see discussion below). The Denver development intermediary has indicated, however, that staff from CBOs are eligible to be part of this community coach network.

In St. Louis, the development intermediary (which had little previous experience with the Impact Community) also found that its designated neighborhood organization had less extensive networks to young job seekers in the target area than had been expected. In this case, the neighborhood organization was the Urban League of Metropolitan St. Louis which, while operating some job training and counseling efforts that interacted with Impact Community job seekers, had as its primary network in the target area the leaders of neighborhood block groups. However, these block group leaders were primarily older homeowners, who had little in common or contact with the young job seekers that the Initiative was targeting. However, because the Urban League was committed to developing its outreach capacity to this younger group of constituents, the St. Louis development intermediary elected to continue to use the Urban League as its principal neighborhood organization.[58]

During the Planning Phase, some other sites found it necessary to reconsider their relationship with one or more of the neighborhood organizations which were designated as partners in the Jobs Initiative application. For example, in Milwaukee the role of designated neighborhood organization was to be shared by two groups, one primarily focusing on the African American residents of the Impact Community (who represent 65 percent of the target area's population) and a second principally focusing on its Hispanic population (representing 15 percent of target area residents). These organizations were selected to conduct outreach and recruitment in the Impact Community once projects and prototypes were underway. However, within a few months of the commencement of the Planning Phase, the executive director of the organization designated to conduct outreach to the African American community resigned, along with several other of her key staff, amid allegations of mismanagement. The controversy that swirled around this organization for

58 As the Capacity-Building Phase commences, the St. Louis development intermediary plans to issue an RFP for "jobs project implementors." Part of the responsibilities of these project implementors will be outreach and recruitment and, once these contracts are awarded, the Initiative is likely to have other organizations to which it can turn with networks in the Impact Community.

several subsequent months—including a threatened takeover of the organization by the county—prompted Milwaukee to seek other avenues for conducting outreach to the Impact Community once the Planning Phase ended. The strength of the remaining neighborhood organization, coupled with the ability of the Initiative to enlist the support of other CBOs, allowed Milwaukee to plan an alternative outreach and recruitment strategy with little difficulty.

While Philadelphia chose to replace two of the groups that had originally been selected as neighborhood organizations (West Oak Lane CDC and Logan CDC), the third organization—Ogontz Avenue Revitalization Corporation (OARC)—proved to be an effective liaison to the Impact Community for the development intermediary from the start of the planning process. A program director from OARC has also served as one of the core staff assisting in the strategic planning process, and the organization has begun to develop strong connections with the targeted customer groups in the Impact Community.[59]

In New Orleans, the three neighborhood organizations have been at the heart of the Initiative, and this is the only Jobs Initiative site where grassroots leaders played such a central role. However, it took a considerable part of the Planning Phase for these organizations to overcome their sense of rivalry with each other and to develop a foundation of trust. Accordingly, due to the initial tensions among the neighborhood organizations, the representatives from these organizations had a less dominant role than had initially been hoped, and much of the early stages of the Planning Phase were staff-driven. In addition, as noted earlier in the report, their suspicions of outsiders contributed to the delay in forming partnerships with the business, provider, and governmental sectors, a deficiency that the site acknowledges and must be addressed in the Capacity-Building Phase.

For the neighborhood organization role in Seattle, the Initiative selected an entity (PACE) that is actually a collaboration among a variety of community organizations providing multi-ethnic services.[60] The selection of PACE was one of the strategies used by the Seattle Jobs Initiative to reach the Impact Community's diverse audiences. Although the Seattle Jobs Initiative had good pre-existing working relationships with its community partners, a central strategy that has emerged at that site is concerned with reorganizing the way employment services are delivered by community-based organizations. Seattle's Community Network is intended to be a decentralized "virtual one-stop" within the targeted communities that will

59 OARC has sponsored a number of commercial and housing development projects in the Impact Community. In fact, at the beginning of the Capacity-Building Phase, a restaurant opened by OARC became the location of the Philadelphia Job Initiative's first job placements.

60 PACE represents a collaboration between Pacific Associates, Asian Counseling and Referral Service, Central Area Motivation Program, El Centro de la Raza, United Indians of All Tribes, and Employment Opportunities Center.

provide culturally, socially, and language relevant services.[61] While recognizing that the array of CBOs in the Impact Community are often well-connected to the area's various ethnic groups and that residents who use the services of these organizations generally view them favorably, the Seattle Jobs Initiative also noted the fragmentation and duplication in service delivery that currently exists among some of these organizations. As a response to this situation, the Community Network is envisioned as a way to foster collaboration between these CBOs in order to improve their delivery of employment and training services through reducing duplication, sharing resources, and building higher standards for quality and accountability. Therefore, rather than simply rejecting the CBOs as potential providers because of their existing shortcomings, the approach that Seattle is proposing through its Community Network strategy is to increase the capacity of these CBOs and training organizations to be more valued as partners in the workforce development system.

The Role of AECF in Technical Assistance Provision

AECF acknowledged at the start of the Jobs Initiative that there was no single model that describes the best method for connecting disadvantaged job seekers with employment.[62] Along with this, AECF also appreciated that effective strategies for achieving systems reform to promote such employment connections needed to be locally defined. Nonetheless, the Foundation still believed that, in addition to providing funding to the communities, it could provide very specific guidance and technical assistance to the Jobs Initiative sites that would support and facilitate the development of their regional Initiatives.

Over course of the planning process, AECF provided such guidance to the Jobs Initiative sites in a variety of ways, including:

- mandating certain design features for all Initiative sites;
- requiring sites to use the Outcome Funding framework as a planning and management tool;
- using Initiative cross-site meetings and conferences to expose the sites' representatives to key issues, models and techniques;
- providing direct site-specific technical assistance during AECF staff visits to the sites, or through feedback on Planning Phase deliverables;

61 Seattle Jobs Initiative's SIP, p. 18.

62 AECF, *Framework Paper*, op. cit., p. 1.

- allocating special funding for each site to secure consulting assistance as necessary, and identifying resources or experts to meet specific site requirements; and

- disseminating written materials on topics relevant to the sites.

In formulating the original general design for the Jobs Initiative, AECF had contracted with Rainbow Research to review the economic development literature and current practice in the field. Although this review revealed that there was no single model for effective targeted economic development, a number of promising approaches commonly found in successful employment connection projects were identified. For example, the research showed that successful employment connection efforts tended to be entrepreneurial and market-oriented. In addition, in its previous community rebuilding and systems reform efforts, the Foundation had developed extensive insights of its own regarding the features that contribute to successful change initiatives. These include the importance of engaging the civic infrastructure, building on existing networks and relationships, and involving the target population in a meaningful way in the initiative planning and implementation. Accordingly, in its application and planning guidelines, AECF required the sites to develop the basic design of their regional Initiative around some of these basic intervention elements and principles.[63]

Once the sites received their Jobs Initiative planning grants, AECF also mandated their adoption of the Outcome Funding framework as a planning and management tool, and provided on-site training at each of the six sites on its use. The application of this outcome framework has been discussed earlier in this chapter.

In addition, throughout the Planning Phase, the AECF brought together representatives of the six Jobs Initiative sites for cross-site meetings or conferences, generally on a quarterly basis. The AECF staff used these sessions to expose the development intermediary staff and other site representatives to relevant models from around the country and the experiences of other similar interventions. They also took advantage to these meetings to familiarize the sites with potentially useful techniques and other resources. Finally, the sessions were used to explore in a group setting a variety of key issues relevant to the planning processes in which the sites were engaged.

These sessions were facilitated both by the Foundation staff and by a number of consultants, researchers, and program operators brought in by AECF to share their particular areas of expertise. To the extent possible, the AECF staff attempted to schedule the sessions and topics so that they occurred approximately at the point when the sites would be needing the skills or addressing the relevant issues in their regional planning process. At the April 1996

63 AECF also considered these key characteristics when making its site selection decisions.

project directors' meeting in St. Louis, the sites were presented with briefings on how to complete labor market and industrial cluster analyses for their regi s, for example. At the June 1996 Jobs Initiative conference in Chicago, the site representat es had the opportunity to visit a variety of local employment connection and community economic development projects, and heard a presentation of the process of identifying a policy reform agenda. At the September 1996 project directors' meeting in Baltimore, AECF staff led a discussion of the strategic approaches that were beginning to emerge at each of the Jobs Initiative sites, to encourage a cross-site learning process.

Periodically throughout the Planning Phase, the AECF staff made site visits to each of the Jobs Initiative communities, and used these occasions as needed to provide direct on-site technical assistance to the development intermediary and regional Initiative partners. For example, during one visit to New Orleans, the AECF staff helped clarify the proper role of elected officials in the governance of the Initiative for that site's steering committee members. AECF staff also used the Foundation's review of the various Planning Phase written deliverables produced by the sites (for example, the Local Investor's Outcome Outlines produced in August 1996) to provide very focused site-specific feedback and recommendations to the Jobs Initiative sites.

AECF also authorized funding for each Jobs Initiative site to hire their own technical assistance providers in the areas where the sites felt they were most needed. In addition, AECF staff mobilized special consultant assistance for the sites as specific requests or circumstances warranted. For example, AECF helped to identify a technical assistance provider to help the Seattle Jobs Initiative in designing its community survey. Similarly, AECF arranged for a consulting firm to assist St. Louis in conducting a comprehensive analysis of the regional economy as part of the development of that site's strategic plan.

Finally, on an on-going basis, AECF disseminated to the Jobs Initiative sites copies of reports and other written materials that addressed topics relevant to the sites' activities. These documents contributed to the sites' understanding of an array of issues associated with employment connection efforts, and expanded their awareness of a variety of techniques and resources that could be applied in their own regional efforts.

In the following section of this report we examine in greater detail the strategies, projects and prototypes that have emerged from the Jobs Initiative planning process at the six sites.

Chapter Four

Strategies, Projects and Prototypes

Over the course of the Planning Phase, the six Jobs Initiative sites were faced with the challenge of identifying strategies through which the Initiative could serve as a change agent in creating more effective connections between job seekers and employers throughout the region. The strategies that the sites have articulated, and the prototypes and projects that will implement those strategies, involve a variety of customers, problems to be addressed, partners, and services and/or products that range considerably across the sites.

Common Features Across Sites

It is possible to find some patterns that are common among the sites, however. At the most general level, each of the strategies that has been developed focuses on the role of the Initiative as an intermediary in the labor market. In addition, the following features are common to many, if not all, of the strategies articulated by the individual Initiative sites:

- ***A recognition of the importance of employer connections:*** A common theme in the strategies and projects that have been defined to date is an emphasis on being employer-responsive. The Initiative sites recognize the need to appeal to the economic self-interest of employers, both to secure the participation of firms in the initial prototype project efforts in order to demonstrate the potential benefits of the Initiative's approaches, and to gain more widespread cooperation from the business community to move the Initiative to scale over time. As a result, at most sites, considerable effort was expended to incorporate the perspective of the business sector in defining the problems to be addressed, and the design of the specific features of prototypes and projects generally was accomplished in direct consultation with the businesses in the affected sectors. This emphasis on the viewpoints of employers and on businesses as partners in the Initiative is likely to remain strong; for example, Denver (currently the site most advanced in the implementation of projects) is viewing employer satisfaction and the extent to which firms become repeat users of Initiative services/products as critical preliminary indicators of Initiative success.

- ***The use of sectoral interventions:*** Virtually all of the Jobs Initiative sites have included as part of their strategies a focus on particular industry sectors (or niches within sectors) that offer particular access to the targeted population and/

or have some growth potential. These sector strategies have been developed through labor market analysis, supplemented by on-going discussions with firms and/or labor organizations associated with the targeted sectors. Across the Initiative sites the four sectors most frequently targeted are: health care, manufacturing, construction, and hospitality. Although health care and hospitality are generally associated with low paying jobs, the sites believe that these sectors nonetheless offer the potential for providing employment for job seekers with limited skills and prior work experience, and in many cases on a rapid attachment basis (see below). In addition, once the regional Jobs Initiative has established credibility with employers as a source of dependable workers, most of the sites intend to advocate with the major firms in these sectors to change the structure of work in these industries (e.g., create more career ladders, increase employer-financed benefits and training, etc.).

Although most of the Jobs Initiative regions have experienced a steady decline in the number of manufacturing jobs, the sites' labor market research has identified niches where some promising opportunities appear to exist because of an aging workforce and/or continuing strong demand for the specialized products. While requiring more up-front training then the health care and hospitality sectors, manufacturing also offers higher-paying jobs. Similarly, although construction work is often seasonal and may require significant training (depending of the specific trade), this sector also is seen as a potential source of higher-paying jobs; moreover, changes in the regional workforces for some of the Initiative sites suggests that the construction trades may be more willing to recruit minorities than has been true in the past.

- ***A rapid attachment approach:*** Many of the Initiative sites have concluded that a common failing among existing workforce development programs is the emphasis that they place on lengthy training prior to employment placement. Many low-income families cannot afford to forgo earnings for the period of time that these training programs require. In addition, for individuals without significant employment histories, the Initiative sites believe that perhaps the most important asset for such individuals to acquire is direct experience in a workplace environment, where they can learn about employer expectations, develop good work habits, and gain positive work references. Therefore, many of the sites have emphasized rapid attachment approaches, sometimes called "work first plus" strategies. With these strategies, the sites are trying to minimize the period of pre-employment training; instead, as much as possible, the sites are emphasizing workplace-based training. The sites are also pursuing these rapid attachment approaches even if it means job placements that do not immediately provide family-sustaining wages, or permanent employment.

- ***The exploration of temporary services as a pathway to build connections to better jobs:*** Another feature common to most of the Jobs Initiative sites is the willingness, as part of the strategies pursued by the sites, to use placements in temporary or part-time positions as a pathway to better jobs. While these temporary/part-time positions often in themselves do not provide family-supporting salaries, their labor market research and discussions with employers have convinced the sites that these positions can be effective stepping-stones to better-paying jobs, particularly for individuals with low skills and limited prior employment experience. Similarly, as alluded to above, the sites are looking closely at the potential of entry-level jobs in some industries such as health care—that previously might have been dismissed as dead-end, low-paying positions—as points of entry to career ladders.

- ***A focus on soft skills:*** A number of sites have identified attitudinal issues (on the part of both job seekers and employers) and interpersonal skills as important barriers to employment. In site after site, the results of focus groups with business representatives revealed that many employers are more concerned that job applicants exhibit a strong work ethic than they are that the applicants have the specific technical skills required for the business. These employers feel that they can always train the individuals in the technical skills required for many positions as long as the employee has the desire to work hard and learn,[64] but the firms are reluctant to invest in this training if the individuals do not exhibit the kinds of traits that the firms felt signaled a good work ethic and willingness to "stick it out" in a job. When asked to be more specific about what they meant by an employee with a "good work ethic," employers frequently described individuals who demonstrate a good attitude toward co-workers and clients, and possess strong problem-solving and decision-making abilities.[65]

  As a result, a number of the Initiative sites are developing training services and/or products that focus on orienting job seekers to the expectations that employers have, and provide the job seekers with the interpersonal and decision-making skills that businesses are looking for in employees. Among the Initiative sites, the most sophisticated of these soft skills training programs developed to date is the Denver Workforce Initiative's "cognitive skills

64 There are obviously limits to this and, when pressed, the employers would often qualify their positions to indicate that applicants also need to possess basic math and English competency. However, in general, employers expressed the view that they expect to have to train applicants on the specific equipment used by the firm, or procedures followed, and indicated that instruction received outside the workplace could never take the place of this on-the-job training.

65 See, for example, Denver's SIP, p. 43.

training."[66] In addition, the Denver site is attempting to develop an index for evaluating a job applicant's potential stability (based on a variety of factors) to permit the Initiative to do a better job in screening recruits for placements and to identify the barriers that individuals must overcome in order to be judged "job-ready."

- ***An emphasis on post-placement services:*** Another key element of the strategies devised by the Initiative sites is the attention being paid to post-placement services and support. Whereas traditional workforce development programs often see that their responsibilities have ended once a job placement has occurred, most of the Initiative sites have taken the position that the most important work to be done with individual job seekers often occurs after placement. This orientation reflects the fact that the Initiative sites are not concerned with just placement, but also with retention. Retention is a key issue both in terms of the site achieving employer satisfaction with the job seekers that are recruited through the Initiative, but more important, in terms of the individual employees receiving steady income and benefits, building up good job references, and progressing along career ladders.

- ***An overarching concern for job quality:*** As the discussion above has suggested, the Initiative sites are not just concerned with access to employment, but with retention and finding pathways to *family-supporting jobs*. Each of the sites has therefore had to grapple with the complicated issues of what constitutes a livable wage, what are the necessary benefits that should come with employment, what is really meant by family self-sufficiency, and what burdens are imposed by employment (travel time, day care replacing parental supervision and guidance).

  By focusing on job quality, the sites have been able to examine entry-level and/or temporary services placements as part of their "work first plus" strategies for job seekers with the least skills and/or work experience, but also recognize that the Initiative must continue to assist these individuals in findings ways to move to better paying jobs in the long run.

The above features were recurrent themes in the strategies and prototypes/projects that emerged from the six sites. Also observed among the sites, although not so frequently, was consideration of employment linkage strategies, whereby the sites will try to negotiate

66. As another example, the Philadelphia Jobs Initiative is looking to replicate the STRIVE model of job-readiness training that had been developed by the East Harlem Employment Service. See Philadelphia's SIP, p. 47.

agreements with employers that benefit from publicly financed (re)development projects to train and/or hire job seekers from the Impact Community.

It is also interesting to note that among the six sites, there were few proposals to replicate national workforce development models from other parts of the country, despite the exposure that the sites received to such models through the cross-site conferences and technical assistance materials provided by AECF. Only one site—the Philadelphia Jobs Initiative—devoted substantial attention in its strategic plan to such replication. The Philadelphia Jobs Initiative plans to incorporate elements of the Focus: HOPE model from Detroit as part of its Philadelphia Area Accelerated Manufacturing Education (PhAME) project, and to use the STRIVE model from East Harlem as a basis for developing job readiness services in connection with its Metropolitan Career Center prototype.

In reviewing the common attributes in the strategies proposed by the sites, one cannot help but be struck by the number of elements that represent a departure from the traditional approach taken by workforce development programs. At the heart of the strategies being pursued by the six Initiative sites are key elements—responsiveness to employers, rapid attachment, soft skills, and post placement services—that either reflect features generally missing from many workforce development programs, or begin where most workforce efforts traditionally end. Similarly, the focus on job quality and family-sustaining employment sets the Jobs Initiative sites' efforts apart from most of the welfare reform initiatives occurring around the country, in which getting recipients off the welfare rolls and placing them in jobs—any job—serve as the principal criteria of success.

Individual Jobs Initiative Site Features: Strategies and Projects

Although the six Jobs Initiative sites have some key features in common, in many other respects they are very different from each other. Given the diverse geographic, economic, social, political and institutional frameworks from which they spring, this variance is to be expected. The following highlights some of the central concepts and distinguishing characteristics of the strategies and project plans that have been developed by each of the Jobs Initiative sites:

Denver Workforce Initiative (DWI)

The key concept underlying DWI is "making connections." As a regional intermediary, DWI hopes to facilitate more productive relationships between employers and entry-level employees from the Impact Community. To accomplish this, DWI has identified four strategies that form the core of its approach to connecting low-income residents to entry-level jobs that offer a path to family-supporting wages and benefits. These strategies have been

designed to develop and test a variety of products and services that can be customized for specific clients; these four strategies also will be applied across DWI's various projects and prototypes. These key strategies are:

- ***Improving community connections:*** As part of this strategy DWI is creating a network of "community coaches" in the Impact Community to serve as recruiters and counselors for job seekers and workers. These coaches, who will find residents appropriate to fill the jobs being developed or identified through DWI, are intended to strengthen the connections between the labor market and the Impact Community, and to build on the model of informal networks of information and support provided to residents by families and friends. The community connections strategy will also entail customized recruitment for businesses, and the evaluation of a potential applicant's overall stability through development of an assessment index.

- ***Developing cognitive training for workplace readiness:*** DWI has developed a curriculum called "Positive Work Choices" to improve the ability of job seekers, employees, and supervisors in businesses to problem-solve and make decisions, and to relate more effectively with co-workers.

- ***Changing the workplace environment:*** DWI is developing an organizational assessment tool to assist companies in managing their entry-level workforce more successfully. The Initiative will also be developing an "Employee Assistance Program," to be offered through community-based organizations, to assist businesses with difficult personnel issues.

- ***Implementing workplace learning:*** DWI will be designing a series of prototypes and projects that will locate training and personal development programs for entry-level workers in the workplace itself. These efforts are also seen as supporting a rapid attachment approach to job placement.

Denver is undertaking projects in four sectors—health care, small/mid-size manufacturing, teleservices, and social purpose businesses—as well as a prototype in the hospitality industry. DWI is seeking to form partnerships with businesses in these industries, and will focus on providing job placements primarily with those specific businesses (while developing products and services that other businesses may want to use as well). Although DWI is developing a balanced portfolio of jobs projects, it does not see its role as finding employment for all job seekers in the Impact Community; most of its projects concentrate on the more job-ready residents. (However, one project, involving social purpose enterprises, is geared toward more troubled residents.) Accordingly, DWI does not see itself as becoming involved in welfare reform efforts in the near future. Also, while DWI recognizes the need of job seekers and employees for supportive services, as an intermediary, it does not expect to assume a formal role in the provision of those services.

Milwaukee Jobs Initiative (MJI)

MJI is being designed around an underlying construct known as "Community-Employer Linked Training" (CELT). The CELT strategy is seen as addressing the causes of the current disconnection between inner-city job seekers and regional employers by linking community-based providers of job training to a consortium of employers who are committed to participating in the development of customized training programs and placing the graduates of those programs in jobs. A central principle of the CELT strategy is that the interventions should be sectorially based so that it is possible to organize employers and trainers who can respond to the needs of the industry. In addition, the interventions should provide continuing support, so that workers start in entry-level jobs but are given the support and training necessary to retain their jobs and move up the career ladder. Thus, the CELT model strikes a balance between the interests of employers, workers, and community organizations that reflects the composition of the coalition that forged the MJI strategy.

The early focus of MJI will be on recruiting those job seekers who are most job-ready, in order to establish a positive track record with businesses to gain wider support. However, MJI will examine the possibility of addressing the needs of harder-to-serve job seekers as the Initiative develops a better sense of the effectiveness (and limits) of its projects and prototypes.

MJI will be undertaking interventions initially in three sectors: manufacturing, construction, and printing, with the first two representing jobs projects while the third is seen as a prototype. These interventions are:

- ***Central City Workers' Center (CCWC):*** CCWC is envisioned as a one-stop shop, where job seekers will come to find out about employment opportunities in the construction industry, and will be provided with either direct services or referral to meet any of their unmet human service needs (i.e., transportation, day care, legal assistance, etc.). Based on a union hiring hall model, CCWC will operate as a membership organization. CBOs will be used to recruit and screen Impact Community residents to become members of CCWC. Each CCWC member will be assigned a mentor who will be a source of information and support during the pre-employment training and following job placement. Once accepted as members, job seekers will have their skills assessed and individualized service and training programs will be developed. Although the complete training package will vary from individual to individual, all members will receive soft skills training and employer-designed basic skills training.

  CCWC members are expected to be placed in entry-level, pre-apprenticeship positions reserved for them by participating contractors; each member's first job will require only basic skills, and is expected to be a source of on-the-job

training, as well as access to union benefits and family-supporting wages (at least $7.00/hour).

- ***Manufacturing Jobs Connection (MJC):*** This is a customized training program modeled after, and run by, the Wisconsin Regional Training Partnership (WRTP). MJC will market the project to employers, who agree to hire a group of individuals trained by WRTP, to participate with Milwaukee Technical College in developing the curriculum, and to provide post-placement support for these employees. In exchange, MJC coordinates a system of screening, training, and placement services that meet the employers' needs at no cost to the business. As part of the training (which will last 8-12 weeks), MJC will deliver soft skills workshops, and will institute a mentoring program. All graduating members of each training class will be placed with the same employer doing similar work, which will be another source of support.

- ***Printing Industry CELT:*** The printing industry prototype, which will be run by the Milwaukee Graphic Arts Institute, is designed to operate in much the same way as MJC. CBOs will recruit individuals who will be placed in a printing training program. The curriculum for the training will focus on skills required to fill entry-level positions in binding and finishing, and will be designed in conjunction with employers who agree to hire program graduates. These jobs will pay at least $7.00 per hour, yet will be positions that are typically on the first rung of a career ladder that leads to higher pay and more opportunities within a few years.

New Orleans Jobs Initiative (NOJI)

During the Planning Phase, NOJI spent much of its time and resources dealing with issues of governance that it felt would best address stakeholders' concerns and its commitment to community self-determination and empowerment. In addition, the New Orleans development intermediary had little prior experience in the workforce development area and, in contrast to the other Jobs Initiative sites, NOJI was faced with an extremely weak regional economy. These factors severely impeded NOJI's ability to produce detailed strategies and project/prototype plans in their SIP. As a result, New Orleans was the only Initiative site for which AECF granted an extension of the Planning Phase. While the New Orleans site is still in the process of specifying the details, some basic features of its strategies and a potential project have been defined.

To a much greater extent than the other sites, the New Orleans Jobs Initiative has committed itself to targeting the hardest to employ, with particular attention to young minority males with criminal records or a history of substance abuse. At the same time, NOJI wishes to

challenge the stereotypical view of Impact Community job seekers that many employers hold.

NOJI has proposed the creation of a *Career Brokering Center* as a mechanism that will meet the needs of both job seekers and employers. The Career Brokering Center will provide residents with assessments, training, support services, and job placements, and will offer employers well-qualified employees. NOJI plans to focus its outreach efforts on employers in three sectors: construction, health care, and manufacturing. Because many of the public housing developments in the Impact Community are undergoing extensive redevelopment or modernization, NOJI hopes that it can achieve some employment linkages to these projects.

Philadelphia Jobs Initiative (PJI)

Like the other Initiative sites, PJI is focusing on altering the expectations of regional employers so that they will open new opportunities to the inner-city job seekers that have traditionally been shunned. PJI recognizes that employers are reluctant to hire workers from the Impact Community, and they are especially skeptical about the employment potential of minority men. PJI also acknowledges that minority men have the most difficulty in accessing employment opportunities because they may lack the work demeanor that employers expect, as well as basic skills to successfully perform entry-level tasks.

While committed to addressing the needs of more challenged job seekers over the course of the Initiative, PJI will initially target its efforts to young minority men who are "ready to work." PJI has proposed two strategies for addressing the employment needs of these residents, as well as the workforce development needs of employers. Both strategies focus on work readiness and occupational skills training. The *Rapid Attachment Strategy* is designed to place participants in jobs with earnings of $6-$10 per hour after providing job readiness and "soft skills" training, ranging from one to four months in duration. This strategy also entails on-going counseling for participants.[67]

The *Jobs Investment Strategy* is designed to provide longer-term training for job seekers, and investments in companies that have expressed an interest in expanding their workforce. The training provided through PJI will range from four to twelve months, and will focus on addressing the technical training needs identified by employers, who will be key participants in the development of the training curriculum. The jobs that participants are expected to hold upon completion of training will pay at least $10 per hour.

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67 Beyond the counseling component, the initial design of PJI's strategies and strategies does not address the human service needs of participants as part of attaining job readiness.

These two strategies will be focused on three sectors within the regional economy—manufacturing, health care, and either data processing or hospitality. PJI is planning to implement five projects involving these sectors within the first year of the Capacity-Building Phase: its "Philadelphia Area Accelerated Manufacturing Education" (PhAME) project, a production floor shop training project, a temporary-to-permanent health care placement project, a medical secretary training project, and a job readiness project modeled after Project STRIVE in Harlem.

Seattle Jobs Initiative (SJI)

SJI believes that a variety of problems confront Impact Community jobs seekers and Seattle employers. These include:

- lack of prior work experience for a significant percentage of residents;
- language and cultural barriers;
- mismatch between skills possessed by job seekers and those sought by employers;
- employers' increasing use of informal hiring networks, which have tended to exclude the residents of low-income neighborhoods;
- employer stereotypes of community residents;
- geographic mismatch between where residents live and where jobs are located;
- inadequate availability of support services; and
- lack of job ladders and/or employer investment in training.

These problems are exacerbated by the current workforce development system which is fragmented, not employer-responsive, and therefore unable to prepare workers to meet the requirements of an increasingly high-tech regional economy.

To address the needs of this multi-cultural workforce and the region's employers, SJI has proposed a strategy that entails two central mechanisms: the Community Network and the Brokering System. The Community Network will be comprised of existing community-based employment and training organizations that will be used as a coordinated pipeline to recruit job seekers from among the various Impact Community ethnic populations, and to provide them with access to information about job opportunities and other necessary services. The Brokering System to be established will serve as a pipeline for employers, connecting them to qualified, skilled workers, and to quality employment and training programs. Brokers affiliated with each of SJI's projects will manage services and

information for employers so that they can better access the public workforce training system.

Another key feature of SJI is that it is serving as the overall model for the city's welfare to work initiative (called Ready to Earn).[68] Accordingly, SJI is targeting individuals receiving public assistance for its projects. SJI is also emphasizing minority males as a key target group among job seekers.

SJI has developed plans for three "projects" which will take advantage of the central pipelines: Employment Linkage, Temporary Employment Community Partnership, and Targeted Sector/Jobs Strategy.

- ***Employment Linkage:*** This effort involves the use of first source hiring agreements with industries benefitting from publicly assisted projects or otherwise receiving public subsidies (construction, hotel, and retail trade firms), to ensure access to livable wage jobs by Impact Community residents.

- ***Temporary Employment Community Partnership:*** This effort involves one of the area's largest temporary employment agencies and will provide residents with information about the industry and access to jobs. During the first year of implementation, this effort will be run as a prototype, and will be targeted to job-ready parents whose children are in the Head Start program.

- ***Targeted Sectors/Jobs Strategy:*** This effort is intended to focus eventually on three sectors—construction, health care, and precision manufacturing. During the first year, however, prototypes will only be developed for the health care sector (a patient care worker prototype, and a medical interpreter prototype) and the precision manufacturing sector.

St. Louis Regional Jobs Initiative (SLRJI)

The greater St. Louis region is characterized by high degree of fragmentation in public and private systems. This fragmentation is seen as exacerbating the disconnection between inner-city job seekers and the region's employers, who are increasingly locating their facilities beyond the suburban beltway circling the city of St. Louis. The overall objective of SLRJI

68 In addition, King County has adopted many of the SJI's strategies and services, as reflected in the King County Jobs Initiative Plan scheduled for implementation starting in 1998. Moreover, SJI has been an integral partner and planner in the regional One-Stop system. The community-based organizations participating in SJI will also be recognized as entry points and referral sources for the One-Stop system.

is to address this fragmentation by promoting regional and inter-jurisdictional partnerships to solve workforce development and economic development issues.

In the first year of the Capacity-Building Phase, SLRJI proposes to implement three projects, each targeting employment opportunities within a specific industry sector. The three sectors are health care, construction, and business services. In addition, SLRJI hopes to develop a prototype or project focusing on the manufacturing center in the near future.

- ***Health Care Sector Project:*** As part of the regional welfare reform effort, this project will target Impact Community women who are currently receiving Temporary Assistance to Needy Families (TANF) benefits, and will provide training to these individuals to assume health care positions such as home health aide, certified nursing assistant (CNA) and community health worker. SLRJI will negotiate with area health care providers for job placements for graduates of the training. SLRJI will also package services and supports for these individuals to help them to achieve success.

- ***Construction Sector Project:*** This is the least defined project of the three, and has undergone considerable revision since the initial submission of the St. Louis SIP. It is expected that this project will target minority men, and is likely to be designed as a pre-apprenticeship program that leads to enrollment in a longer-term apprenticeship.

- ***Business Service Sector Project:*** This project represents a partnership between SLRJI, a major regional employer, a temporary services agency, and the region's welfare reform initiative. It is targeted to women in the Impact Community that are receiving TANF benefits, who have a GED and some work experience. Participants will receive training for family-supporting careers in the business services industry, as well as comprehensive pre-placement assessments, supportive services and post-placement follow-up. Successful graduates of the training will be placed in positions with the participating employer through the temporary services agency, and over time will be able to compete for more permanent positions.

In the next section of the report, the initial experiences of the sites in developing systems reform agenda will be examined.

Chapter Five

Development of a Systems Reform Agenda

In the start-up schedule originally envisioned by AECF for the Jobs Initiative, while the individual sites would be encouraged to start thinking about a systems reform agenda during the Planning Phase, they were not expected to fully articulate the agenda until the end of the Capacity-Building Phase, or actively advocate for the agenda until the Implementation Phase. However, the experience of the Planning Phase has shown that the phases of the Jobs Initiative are not quite so distinct or mutually exclusive—planning activities will be continuing into the Capacity-Building Phase, and systems reform activities began for some sites during the Planning Phase.

A major factor in the precipitous engagement of system reform issues by some of the sites has been the advent of welfare reform. For all the sites, welfare reform has posed a serious dilemma. Should the Initiative try to seize on this opportunity to influence policy and the allocation of substantial resources, but in the process run the risk of being overwhelmed by the politics, competing interests, and momentum of the bureaucracies involved? Or, alternatively, should the Initiative steer clear of welfare reform for the moment in order to maintain control over its own agenda, but as a result lose the ability to leverage resources and affect systems reform, and also chance being perceived as not relevant to the needs of the most disadvantaged job seekers?

Two of the Jobs Initiative sites have elected to become actively involved in welfare reform. These sites—Seattle and St. Louis—have designed strategies and jobs projects that specifically target TANF recipients. They are also actively engaged with regional and state welfare administrators and employers in defining what the new systems of job referral, training and supports will look like. In fact, the Seattle Jobs Initiative's central concepts of employer brokering and community networks, as well as the application of Outcome Funding/performance-based contracts, are being used as the model for the city-wide response to welfare reform. The New Orleans Jobs Initiative is also beginning to be drawn into the welfare reform initiative in its region, as a consultant with officials in developing that state's response to welfare reform.

Outside of the welfare area, sites point to a number of other examples of reforms that they feel have resulted from their Planning Phase activities. For most sites, the planning activities brought together institutions and interests that had never interacted together, or established

relationships of trust where none had previously existed. Although for some sites these new relationships were seen as minor, though positive impacts, for others they represented a significant accomplishment—such as in New Orleans, where the entities had brought a long history of suspicion and rivalry, or in St. Louis, where cooperation across regional political jurisdictions was rare. Sites also saw the development of shared management information systems among provider agencies to reduce duplication, facilitate information exchange, and promote more accountability as a potentially significant reform as well.

Two other features of the sites' initial experiences in addressing system reform are worth commenting upon. First, it is interesting to note that when the sites were drafting their Local Investor's Outcome Outlines (LIOOs) during the summer of 1996, most had difficulties conceptualizing possible systems or policy reform issues, but as soon as they began to design specific jobs projects or prototypes the policy issues started to emerge naturally. As the sites move ahead with implementation of these projects and prototypes, additional reform issues should suggest themselves. However, the sites probably will also need to go beyond these naturally emerging issues, and seek to identify the larger reform targets that can have a more profound impact on systems of employment access in the region. This effort, which will involve more methodical system mapping, will be much more difficult, but also offers the potential of more significant returns.

While the early focus of reform activities of the Jobs Initiative sites was largely aimed at public sector systems and institutions (primarily because of the attention on welfare reform), there are clear indications that over the course of the Initiative the labor market will be a principal target of reform. For example, the initial round of jobs projects and prototypes suggests that the sites are seeking to understand the costs of recruitment and turnover for employers. The sites hope to reduce these costs through the strategies embodied in their jobs projects and, by addressing the economic interests of employers, influence those employers in terms of how they recruit and what career ladders they create.

As the sites begin to devote more attention to the development of a systems reform agenda during the Capacity-Building Phase, the evaluation will be able to examine a host of related issues. How do the sites define "systems", and what are the different systems being targeted across the sites (e.g., workforce development, education, tax, transportation, community-based non-profit, private employer, organized labor, etc.)? What strategies are available to reform these sy stems, and which strategies are being applied by the sites? Which of these strategies appear to be effective, and under what conditions? What do the sites' experiences reveal about common leverage points across a variety of systems? Ideally, the lessons gained from this analysis will be useful in expanding the sites' knowledge of effective approaches upon which they can draw in the future.

In the next section of this report, we describe some of the key challenges that the Jobs Initiative sites may be encountering during the Capacity-Building Phase.

Chapter Six

Challenges for the Jobs Initiative Sites During the Capacity-Building Phase

During the Planning Phase, the Jobs Initiative sites addressed a varied array of tasks: engaging the civic infrastructure; establishing a governance structure; conducting outreach to the Impact Community and its job seekers; analyzing community resources, the regional labor market, and the workforce development system; identifying job access strategies; designing projects and prototypes; and developing implementation plans, including the selection of project implementors, the establishment of budgets, and the specification of action steps and milestones. In some cases, the sites also identified policy reform targets and advocated for systems reform. Each of these tasks presented its own challenges.

As they move into the Capacity-Building Phase, the sites will be required to shift from what has been essentially a planning mode to more of a manager/implementor mode, although some of their planning and design duties will continue. In the course of this evolution, there will be new challenges that must be addressed. There will also be unresolved issues from the Planning Phase that must be revisited. The following highlights some of the more important issues that the Jobs Initiative sites will face:

- ***Establishing infrastructure/beginning to address sustainability:*** As they move into the Capacity-Building Phase, the Initiative sites will not only be looking to refine their governance and management structures to take on their new roles relative to project/prototype implementation, but also may need to give some attention to questions regarding the long-term sustainability of the Initiative.

  These challenges will translate somewhat differently from site to site. At the end of the Planning Phase, some sites, such as Milwaukee and New Orleans, had the immediate task of finding permanent executive directors to manage the regional Initiative. All of the sites, however, will need to carefully examine the staffing requirements of their rapidly multiplying responsibilities to ensure that the personnel resources assigned to the Initiative are adequate to meet the demands on them.

As we have noted earlier in the report, the New Orleans site intends to establish a new non-profit to house their regional Initiative as they enter the Capacity-Building Phase; Milwaukee took a similar step in the middle of the Planning Phase. Seattle may be looking to move the Initiative out of city government. Some of the other sites have also proposed revisions to their governance structures to reflect their new set of duties associated with the Capacity-Building Phase. With these changes, there may be a tendency to move to a smaller, more streamlined governance structure, or at least to limit frequent interactions to a smaller subset of governance board members. However, the Initiative sites may also want to find ways to maintain the involvement and commitment of the other members of the civic infrastructure and community who have been brought into the planning process. The sites may need these supporters in the future (see discussion below on buy-in), particularly as the Initiative begins to address more controversial implementation and reform issues, and cannot afford to let these planning participants feel that they have been abandoned or cast off.

Although the AECF grant will serve as core funding for the immediate future, as the variety of Initiative activities expands at each site, there will be more and more demands placed on those funds. Accordingly, the sites will need to devote increased attention to leveraging and fundraising beyond the minimum match requirements established by AECF. In addition, because of the lead time involved in fund development, during the Capacity-Building Phase it is not too early for the sites to begin to think about possible sources of funding for the period following the eight-year Initiative.

- ***Integrating human services into their project and prototype designs:*** For the most part, although recognizing the importance of supportive services and post-placement assistance to job seekers, the sites' plans were very weak in terms of specifying how human services would be integrated into their strategies, projects, and prototypes. It is understandable why the Initiative sites might want to try to finesse this issue— if a site were to entertain paying for the costs of these services through the Initiative budget, it would be immediately inundated with demands for funding from the provider networks. Moreover, the site would probably find that these expenses could easily exhaust its entire AECF grant without having much to show for these outlays in terms of systems reform, which is the ultimate purpose of the Jobs Initiative.

  Clearly the costs of child care and transportation services can be too expensive for a site to address on its own. Nonetheless, if they believe that these supports are essential factors in promoting employability and retention, the Jobs Initiative sites need to find mechanisms to ensure that the services are available

to the job seekers and workers that need them. For example, some of the sites, particularly those involved in welfare reform efforts, have been able to negotiate commitments from county and state agencies to make set-asides of supportive service funding for the participants in their jobs projects and prototypes. For those sites who do not want to become so directly engaged in welfare reform activities, however, leveraging these supportive services will be more challenging.

As the sites address this aspect of their local strategies, the evaluation will examine a set of related issues. For example, how do the individual sites define "human services"? How do they define the respective roles of job seekers, their families, government, community organizations, organized labor and employers in the provision of these services? What are the best techniques for assessing the needs of individuals for such services, and which service delivery mechanisms are most effective under various circumstances?

- ***Serving other than the more job-ready:*** Following the urging of AECF, many of the Initiative sites have focused their first set of projects and prototypes on serving the more job-ready. In the short term, this is probably a very wise tactical move, since it creates the most potential for some early successes that will boost the credibility of the regional Initiative with both employers and job seekers. However, if all a site does is serve the more job-ready, it ultimately will open the Initiative to criticism regarding creaming. Moreover, a focus on the easier to serve raises legitimate questions about how much of a difference the Initiative is actually making, since the individuals being assisted are the job seekers more likely to find employment on their own.

  It becomes critical, therefore, for each site to develop a balanced portfolio of projects and prototypes that can serve as broad a continuum of job seekers as possible. Sites will need to learn, in part through trial and error, what are the critical differences in the design features of projects directed at these different customer groups. It will also be essential for the sites to recognize that projects addressing the harder to serve may be both more expensive and show a lower success rate, and when these situations occur, to resist the temptation to reallocate Initiative resources to the more "productive" projects aimed at individuals who are more job-ready.

  Accordingly, it will be important for the evaluation to examine how the sites deal with residents that confront serious employment barriers, such as inadequate language or literacy skills, depression and other psychological/ emotional problems, and criminal or drug abuse histories, as well as individuals who require extensive support with day care and transportation. The Capacity-

Building Phase will show how well the sites develop and refine projects and strategies to serve these residents, including the integration of human service providers into the Initiative's efforts.

- ***Balancing systematic analysis, strategy development, and assessment against responding to opportunities that present themselves:*** Although the eight-year Jobs Initiative was originally envisioned as consisting of three distinct phases, the experience of the Planning Phase demonstrated that systems reform activities will not necessarily be deferred until the Implementation Phase, and conversely, that not all planning functions will end with the beginning of the Capacity-Building Phase. The incomplete status of the strategic plans and project/prototype designs (in regard to the definition of milestones and the articulation and justification for retention targets, for example) suggests that additional specification of these elements needs to occur. Moreover, as the sites begin implementing their prototypes and projects, it will be critical for them to establish adequate self-assessment procedures so that they can accurately appraise the results of their efforts, and compare these results against those that were projected, in order to learn from their experiences and make sound mid-course corrections.

  During the Planning Phase, however, there was a tendency on the part of some sites to abandon systematic strategy and project development functions when opportunities presented themselves, particularly as the deadline for the SIP drew near. The decision to seize these opportunities may have represented an appropriate "entrepreneurial" response, but it also possible that though expedient, these "opportunities" may not represent the best investment of a site's resources. A careful and thorough analysis provides the framework for making such decisions wisely. However, the temptations for neglecting the difficult analytic tasks will be even greater during the Capacity-Building Phase, when so much of the attention of the site will be devoted to immediate concerns about implementation.

  While it is critical for each Jobs Initiative site to retain the flexibility to be able to respond to unique opportunities in a timely way, it also seems important for each site to maintain a commitment to systematic analysis in both the design and the assessment of Initiative activities, so that the site is able to direct its resources at ventures that will generate the most return, and not just respond to the most expedient options.

- ***Adapting to changes in the economy:*** Related to the previous point about on-going analytic capacity, it will be particularly important for the Jobs Initiative sites to institutionalize their ability to monitor changes in the regional economy and labor markets. The particular strategies and projects that were articulated

by the sites over the Planning Phase were developed in the context of very specific economic and labor market conditions, which for most sites reflected a period of sustained economic growth.[69] For example, the extremely tight labor market in Denver provides strong incentives for employers to be more open to experimentation and alternate sources of labor. The core strategies of the Denver Workforce Initiative were predicated on those market conditions.

As the regional economies and labor markets go through their inevitable business cycles over the course of the Jobs Initiative, however, it will be essential for the sites to remain alert for and, whenever possible, to try to anticipate these changes. As the shifts in the economy and labor market occur, the sites will also need to assess how they are affecting the behavior of employers and other key institutions, and to determine how these changes are likely to impact the existing projects/prototypes. For example, if a downturn occurs and unemployment rises, will employers continue to participate in and support jobs projects? When labor markets slacken, giving employers more choices in filling entry-level positions, will firms still hire Impact Community residents referred to them by the Initiative? By keeping alert for these economic shifts, the sites will maximize their ability to adjust their strategies and to successfully weather such changes, and also to take advantage of whatever new opportunities might present themselves.

Over the course of the Initiative, the evaluation will document the experiences of the sites in responding to the inevitable economic cycles, and will highlight the insights gained from this experience. The evaluation will examine the approaches taken by the sites to adapt their strategies to changing economic conditions. From this analysis, we will try to identify which strategies work best under various sets of economic circumstances and/or for specific industries, and whether any of the strategies adopted by the sites are able to transcend economic cycles. This information will be shared to provide AECF and all the sites with a more refined portfolio of techniques to apply in the future.

- ***Creating a Jobs Policy Network/learning to be advocates for systems reform:*** During the Capacity-Building Phase, each of the Jobs Initiative sites will need to establish a Jobs Policy Network and to devise a systems reform agenda. The sites will need to carefully consider the Jobs Policy Network's composition and institutional relationship to the rest of the Initiative. The Network must be

69 Interestingly, none of the sites seemed to have considered sensitivity to the business cycle when selecting which industries and sectors to target.

structured to be an effective advocate for policy changes. This may be a very challenging task for some of the Initiative sites, since for the most part they have not had community organizing or advocacy interests at the center of their governance structures,[70] that might have provided some models and/or members for the Network. In fact, some sites have discouraged advocacy-oriented groups from participating in the Initiative to date, out of concerns that they would be confrontational and divisive. For similar reasons, most of the sites have avoided tackling difficult issues, such as race and class, during the Planning Phase.

During the Capacity-Building Phase, however, the Initiative sites must develop mechanisms to pursue advocacy positions if they are to be effective in promoting their systems reform agenda. As part of this process, they must also learn how to address the tough issues, such as discrimination, that often are at the root of problems regarding employment accessibility. In carrying out their advocacy mission, however, perhaps the most difficult task that the sites will face is in finding ways to maintain working relationships with institutions and systems around issues of common interest, while at the same time pressuring those institutions/systems on reform items.

Addressing these challenges will not be easy, and together they may make the difficulties that the sites confronted during the Planning Phase look relatively minor in hindsight. The challenges discussed above will represent a serious test of each site's ingenuity, diplomacy, patience and will. These issues also represent an appropriate focus for the cross-site technical assistance efforts of AECF during the Capacity-Building Phase.

In the next section, we offer concluding thoughts on some broader questions related to the Jobs Initiative.

70 Gewirtz and Giloth, *Lessons Learned*, op. cit., p. 2.

Chapter Seven

Concluding Thoughts on Some Broader Issues

Several questions and themes emerged in the planning process at the Jobs Initiative sites that are likely to be important issues over the course of the evaluation. Although it is too early to make any definitive judgments regarding the full significance of these issues, it is nonetheless worthwhile to note them and some of their potential implications.

- ***The importance of widespread buy-in among the civic infrastructure:*** How important is widespread buy-in among community-based organizations, government, employers, civic groups, etc. to the ultimate success of the Jobs Initiative? Some sites, such as New Orleans and Seattle, appeared to give more emphasis than others to developing explicit consensus among steering committee members and other participants about the basic premises of the Initiative and its strategies and projects. The broader the range of participants involved in the planning process and the more divisive the issues discussed, the harder it is to reach consensus. Do sites that devote the most time to consensus building take longer to create and refine their strategies and projects? Does this consensus building process ensure more long-term support from participants? The next three years of the Capacity-Building Phase will tell us whether these efforts to achieve widespread consensus resulted in more successful jobs projects and more fundamental reform of the existing workforce development system.

- ***The ability of the Jobs Initiative sites to address the issue of race and discrimination:*** Questions of race and ethnicity are essential issues for the Jobs Initiative. The Initiative's target population—young adult residents of the inner city—is comprised mostly of African Americans, Hispanics, and other minorities. Most of the community organizations involved in the Initiative represent minority neighborhoods. On the other hand, many of the key staff in the development intermediaries are white. Furthermore, the identification and definition of key employment barriers confronting the Impact Communities can be racially charged. For example, the notion of "soft skills" can be construed as code for "white" speech patterns, manners, and attitudes.

Perhaps because race is such a difficult issue, most sites did not devote much time or discussion to the effect of race and discrimination on minority employment. Only in New Orleans was the issue of race central to the planning process. Discussions of race are often divisive, painful, and protracted, and could have delayed the completion of the planning process. However, they might have helped build commitment and trust among the Initiative's participants. It will be important to see the extent to which racial tensions emerge in the Capacity-Building and Implementation phases, and to examine how the sites deal with them.

- ***The type(s) of management infrastructure and systems that need to be in place to support an initiative of this type:*** As the activities of the sites become more diverse and complex, the range of roles that must be performed by the local sites' governance and management structures will be expanding accordingly. What structures and techniques are most effective in accomplishing these functions, and what are the drawbacks of various approaches?

  Related to this are questions relating to the use and value of the Outcome Funding methodology. It will be important to assess how the use of the outcome methodology has affected the strategic management of the regional Initiatives and their projects. What are the benefits and shortcomings of the outcome framework? What level of use is required before such benefits materialize? How has its use affected the culture of the projects and other Initiative activities, and specifically has it helped to engender an entreprenecurial orientation at the Initiative sites?

- ***The role of community-based organizations (CBOs):*** With the exception of Philadelphia, CBOs played a smaller role in the planning process than was initially expected. In some cases the development intermediaries were disappointed by the performance of CBOs in conducting community outreach and other activities. It will be interesting to see what roles CBOs play in jobs projects and the Jobs Policy Network, and how the Jobs Initiative ultimately affects the position of CBOs in the sites' workforce development systems. It is not clear at present whether the Initiative will strengthen or weaken CBOs as players in regional workforce development.

- ***Approaches to recruitment and achieving job readiness:*** What are effective strategies for engaging disadvantaged job seekers in the labor market? What outreach approaches work best in reaching and motivating Impact Community residents to participate in the sites' jobs projects or to use the mechanisms established by the Initiative to secure employment? In answering these questions, the sites will need to address the current reality of entry-level

workers in their community (generally, individuals at or below 150 percent of the poverty line). How do these individuals define "a good job"? When do they develop "career awareness" or an interest in long-term employment? In addition, the Jobs Initiative sites will need to specify and operationalize their definitions of "job readiness." Should job readiness be assessed by skill, by attitude, or by a combination of these factors, and how will they be measured? What part does the availability of support services play in determining job readiness? To what extent does the definition of job readiness vary by industry or job type?

- ***The implications of welfare reform:*** In August 1997, about midway through the planning period, the federal government eliminated welfare as an entitlement program. The legislation created a new block-grant welfare program, Temporary Assistance for Needy Families (TANF), which limits receipt of welfare to a maximum of five years and limits benefits for legal immigrants. It also required states to emphasize employment for welfare recipients as never before. By fiscal 1998, 30 percent of all single parents receiving welfare will be required to be employed or placed in work-related activities; this percentage increases each subsequent year to 50 percent by 2002 and after. Work requirements, along with the five-year maximum benefit period, will bring hundreds of thousands of people with limited education and work experience into the labor market over the next few years. Welfare reform stands to alter the existing workforce development system in the six Jobs Initiative cities and throughout the nation. Not only will the number of people requiring job training and placement increase, there will be increased pressure to place the hardest to employ, especially once their five-year benefit periods expire.

  The Jobs Initiative was conceptualized before the advent of welfare reform. While the Jobs Initiative represents a major enterprise on the part of AECF and the six selected sites, it runs the risk of being dwarfed by the far more massive array of resources and attention that will be devoted to welfare reform as the latter gains momentum in each region. For each Jobs Initiative site, deciding how best to respond to welfare reform will be one of the key strategic decisions that must be addressed. For the evaluation, the challenge will be to distinguish between reforms and outcomes specifically generated by the Jobs Initiative, and those that would have occurred in the absence of the Jobs Initiative due to welfare reform.

- ***The implications of connecting the Impact Community to the regional economy:*** The Jobs Initiative explicitly aims to connect inner-city residents

with jobs in the wider regional economy. To what extent will the Initiative actually place people in jobs outside the city? It will be important to examine how successful the sites are at achieving placements at suburban jobs. This will test the sites' ability to overcome transportation barriers and the willingness of suburban employers to hire minority workers from the inner city.

It will also be important to examine the patterns of mobility of Impact Community job seekers once they obtain employment, particularly employment in the suburbs. When given the choice, will these residents choose to move out of the inner city? What effect, if any, does such out-migration have on the Impact Community? Is it possible for the Jobs Initiative to succeed in its efforts to connect job seekers to employment at family-supporting wages, while the Impact Community remains distressed (or becomes increasingly so, as the more job-ready residents gain mobility)?

- ***The value of job access versus job creation:*** AECF's decision to have the Jobs Initiative sites focus on jobs access rather than job creation as a first priority[71] made sense in the context of relatively tight labor markets in most regions, with worker shortages in many industries, as well as the pressures from welfare reform and the target communities to achieve rapid attachment for job seekers. However, what are the implications of this emphasis if there is a downturn in the economy? If the economy becomes stagnant, how can the Initiative ensure that it is not just connecting Impact Community residents to jobs that would go to a similar individual anyway, unless the sites find new sectoral niches or create jobs that result in a net addition in employment opportunities? It will be important to examine how both AECF and the sites adjust their strategies as business cycles occur over the eight-year duration of the Initiative.

71 It is important to acknowledge, however, that there is not always a strict dividing line between *job access* and *job creation*. In that the Jobs Initiative is about changing or restructuring labor markets, "jobs access" strategies may actually entail creation of new types of jobs or job categories, such as have already been seen in some of the Initiative sites (e.g., the new "recycler" union positions created St. Louis).

Appendix A

Evaluation Methodology for the Planning Phase (Year 1) of the AECF Jobs Initiative

Overall Objectives of the Evaluation

The Abt Associates/New School for Social Research team has undertaken a comprehensive, multi-disciplinary evaluation designed to document and analyze the Jobs Initiative's planning, implementation, operations and outcomes over the eight years of the Initiative. The evaluation is intended to assess the Jobs Initiative's effects at each site and across sites in the following areas:

- institutional change and systems reform in terms of how the regional labor market and workforce development system function for disadvantaged job seekers;
- earnings, employment, and family outcomes for participants in the Jobs Projects;
- where relevant, Impact Community outcomes.

Objectives and Major Research Activities During Year 1 of the Evaluation

During the Planning Phase of the Jobs Initiative (Year 1), the evaluation team documented the relevant characteristics of the Impact Communities and their residents, particularly disadvantaged job seekers and their families. Evaluation activities also focused on describing the institutional players and examined the processes involved in designing and launching the sites' regional Initiatives.

First, baseline data were gathered on the Impact Community and on local institutions relevant to the Initiative. These data were then used to produce the Impact Community and Institutional profiles. Second, the evaluation team documented the planning process at each

site, including the actors involved and their roles, and the specific activities undertaken in each site. Finally, evaluators began to outline each site's guiding assumptions about change processes at the individual, institutional and systems level, using an iterative process with development intermediary staff and key actors in each site.

Methodological Approach: Theory of Change

Because the Jobs Initiative is following a "saturation" model, where all members of the target population are prospective participants and/or beneficiaries, traditional "control group" based evaluation approaches were not feasible, and the Annie E. Casey Foundation decided to have the evaluation use a "theory of change" approach. Under this methodological approach, the evaluators work with intervention designers and other local stakeholders to make explicit the assumptions and theories that will guide the local intervention. As part of this process, the evaluators encourage these local actors to describe desired outcomes, major barriers, key opportunities, and necessary participants and resources, as well as to articulate the steps necessary to affect the desired changes. In addition, the perceived interrelationships of key actors, the sequencing and timing of the steps, and the milestones for assessing progress are specified through the discussions with intervention designers and stakeholders. In this way, the site plays a major role in defining the evaluation framework under which its actions will be assessed, and therefore the results of the evaluation are more likely to be perceived as relevant by local actors.

Once the initial theories have been made explicit, the evaluator closely documents how the intervention evolves over time, comparing the timing and nature of actual activities with what was planned, and the progress that is achieved with what was predicted. The evaluator also monitors how the site's underlying assumptions and theories are revised over time, and what changes result in the strategies and activities undertaken. By carefully mapping the connections between intervention assumptions, strategy development, program structure, implementation, and outcomes over time, this approach can provide detailed analyses and compelling evidence in support of inferences about the effectiveness of the interventions examined.

Data Collection During Year 1

During the first year of the evaluation, data was collected in several ways--through two site visits by the national evaluation team, by local researchers contracted in each site to attend meetings, conduct interviews and gather key documents, and through review of data and documents from a wide variety of sources, including data collected by the sites themselves and written materials prepared by them as part of their planning year activities. While emphasis is given here to the site visits, ongoing data collection activities conducted by the

local researchers were also of crucial importance, especially to our understanding of the planning process.

Site Visit Purpose and Protocols

As noted above, two visits to each Jobs Initiative site were conducted during the Planning Phase of the Initiative. The general goals of these visits were to collect baseline data on conditions at the start of the Initiative, and to learn the views of key participants in the sites regarding the nature of the problem(s) facing disadvantaged job seekers, and about what they considered to be appropriate responses to such problems at both a strategic and project level. The two site visits also allowed evaluation staff to establish relationships with development intermediary staff, to become more familiar with the Impact Community and larger region in each site, and to meet with specific organizations and data sources of key importance to research on baseline conditions.

For each site, a two-person site visit team was assigned from the Abt/New School team, with one individual designated as the lead site visitor. Prior to contacting the site, the site visit team reviewed all available materials on the local Jobs Initiative effort. The lead site visitor then contacted the lead staff person at the development intermediary for that site to discuss the purpose of the site visit and the best time for the visit to occur. In addition, the lead evaluator established whether the development intermediary staff were comfortable with the evaluation team arranging the schedule for individual interviews or, alternatively, preferred to handle the scheduling of the interviews themselves.

The visits typically lasted three days on site and began and ended with meetings with key development intermediary staff. The visits typically ended with an informal presentation to the development intermediary of key themes that emerged during the visit, while being careful to preserve the confidentiality of those interviewed. Several weeks after the visit, more formal feedback was generally given to the site in the form of a letter, vetted by AECF staff, that the development intermediary staff could then share with board members or other participants in the Initiative, at their own discretion.

Once local research liaisons were hired, they were incorporated into the site visits to the extent possible. In some cases, timing prevented them from taking a very active role during the visit itself. In most cases, the local research liaisons conducted additional interviews after a site visit, meeting with key individuals not available during the visit or for follow-up interviews.

The specific purposes and activities of each of the two site visits conducted during the first year of the evaluation are described in more detail below.

First Site Visit: "Getting the Lay of the Land"

The first site visits were conducted between May and July of 1996. The main purposes of the first round of site visits were:

- to identify sources of information for the baseline Impact Community profile, including characteristics of the disadvantaged job seekers to be targeted by the Jobs Initiative;
- to identify key institutions in the "employment network" in the region seen as determining the employment opportunities historically available to disadvantaged job seekers and/or providing assistance in gaining such employment;
- to meet with/interview key actors or representatives of the key organizations in each site's Jobs Initiative;
- to document the Jobs Initiative planning process to date, how participants viewed the Jobs Initiative thus far, and how they expected it to evolve in the future;
- to conduct a drive through of the Impact Community; and
- to orient the local research liaison (if one had been identified prior to the site visit).

To the extent possible, available documents and data on the region and site activities were reviewed before the visit to avoid unnecessary questions.

During this initial site visit, the evaluation attempted to interview as wide a range of people as possible. While our primary interest was to speak with those likely to be most actively involved in the Jobs Initiative, we also sought to speak with local leaders or experts able to give us an understanding of the particular conditions facing the Initiative in each site. As a result of the differing development intermediaries and emphases across the sites, this meant that the array of people interviewed varied widely across the sites. For example, in some cases interviews with leaders of organized labor were appropriate, in other cases they were not. In all cases, we attempted to interview development intermediary staff, members of Jobs Initiative boards or steering committees, members of any other task forces or planning bodies formed by the Initiative, representatives of the designated "neighborhood organization(s)," representatives of civic organizations, and experts in the local employment training system or labor market. To this group we added other interviews based on the differing emphases and conditions in each site, and after consultation with the development intermediary staff.

Second Site Visit: The Strategic Investment Plans

The second round of site visits were conducted between December of 1996 and February of 1997, after sites had submitted their Strategic Investment Plans (SIPs) to AECF. The main purposes of the second site visits were:

- to collect additional data for the baseline Impact Community and Institutional profiles;
- to update our knowledge of the Planning Phase activities, including local data collection and analysis efforts and the decision-making process used to select strategies and projects;
- to review the strategies and projects laid out in the strategic plans with key actors and those likely to be important actors in carrying out the projects;
- to begin to identify and confirm with development intermediary staff and other key participants the "theory of change" implicit in the strategies and projects laid out in the SIP (without using this terminology); and
- to meet and interview any new institutional participants who had come on board since the previous site visit.

During this second round of visits, we again met with a range of participants in the planning process, focusing on how decisions were made regarding strategy and how projects or prototypes were selected. In sites where new participants had become involved, we met with them. Those whose participation had waned were generally not re-interviewed unless they had been part of the decision-making process.

Review of Research Products

During the first year of the evaluation, a number of interim research products were produced and underwent a review process consisting of several steps. As noted above, follow-up letters were produced after site visits to give sites feedback on current activities and to help maintain open communication with the sites about the general themes emerging during these visits. The evaluation team, including local research liaisons, also produced drafts of the site-specific elements of the first year report: the Impact Community profile, Institutional profile, description of the planning process, and description of each site's emerging theory of change. Finally, the evaluation team outlined and drafted a cross-site report

With all of these products, drafts were first reviewed by Foundation staff and, after agreed upon modifications were made (if necessary), the drafts were sent to the development

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intermediary in each site. The development intermediary staff, in turn, were asked to give feedback on the follow-up letters and the draft reports to the lead evaluator for their site. The evaluation team then incorporated the feedback received from the development intermediaries to edit the documents and to produce final versions of the reports.